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BIENNIAL SUPPORT BUDGET FOR 1998-1999

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FOR ACTION

BIENNIAL SUPPORT BUDGET FOR 1998-1999

SUMMARY

The Executive Director is presenting the biennial support budget for 1998-1999 within the format agreed upon by the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and UNICEF.

The proposed biennial support budget totals $527.5 million and reflects no growth over the 1996-1997 support budget.

The formal decision to be made on the basis of the present document is the adoption of the draft resolution relating to the budget proposal contained in chapter III, paragraph 163.

The draft resolutions relating to intercountry programmes are contained in chapter IV, paragraphs 225 and 226.

* E/ICEF/1998/2.

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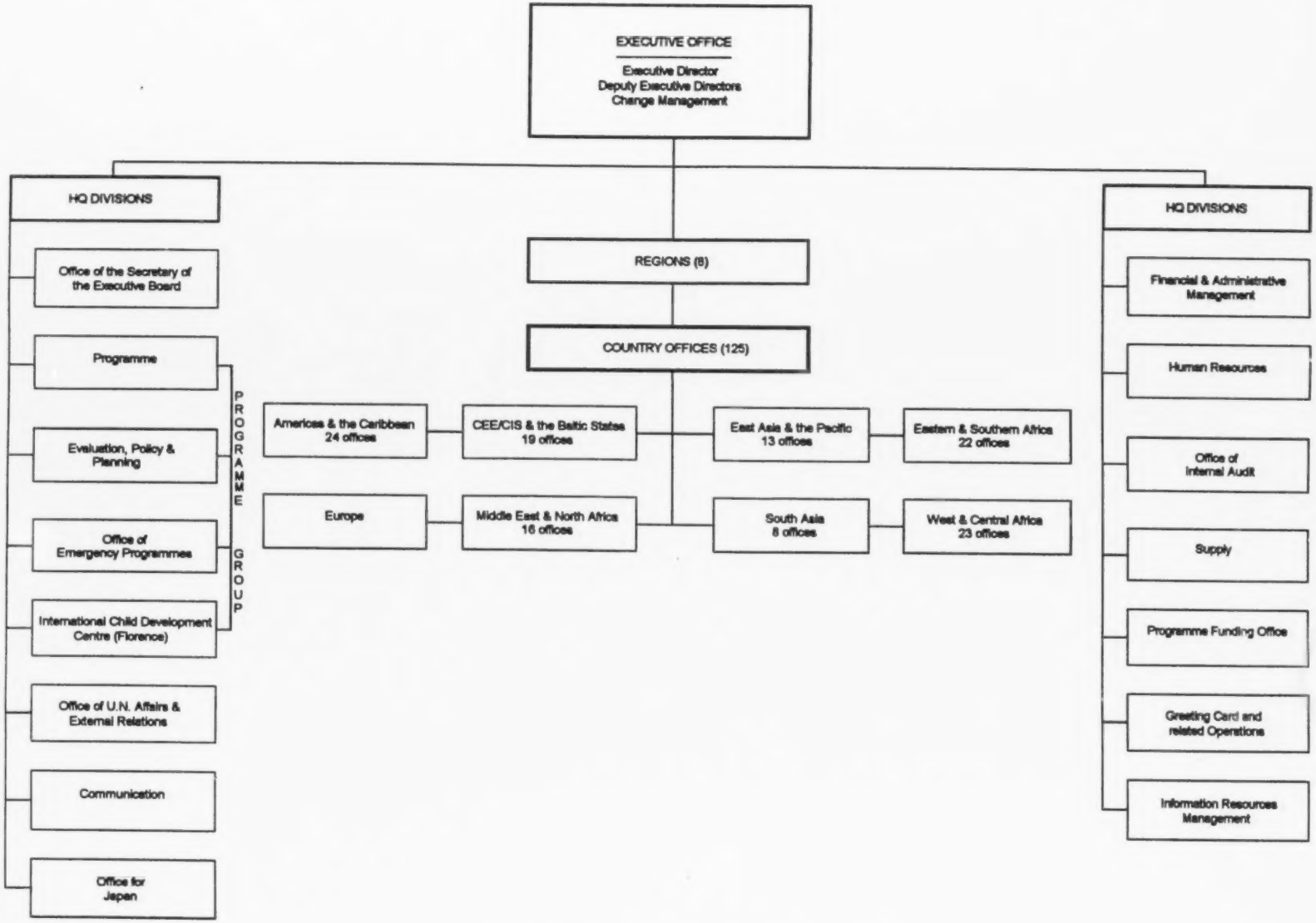
ABBREVIATIONS

acquis.	acquisition
admin.	administration
AIDS	acquired immune deficiency syndrome
ASG	Assistant Secretary-General
categ.	category
CCAs	Common Country Assessments
CEE	Central and Eastern Europe
CIS	Commonwealth of Independent States
CPMP	country programme management plan
CPP	country programme preparation
CPR	country programme recommendation
CSU	common service unit
DAC	Development Assistance Committee
dec.	decrease
devel.	development
DHR	Division of Human Resources
DOC	Division of Communication
EMOPS	Office of Emergency Programmes
EPP	(Division of) Evaluation, Policy and Planning
ESARO	Eastern and Southern Africa Regional Office
FLS	Financial and Logistics System
GCO	Greeting Card and related Operations
GNP	gross national product
GS	General Service
hard.	hardware
HIV	human immunodeficiency virus
HQ	headquarters
ICSC	International Civil Service Commission
IMIS	Integrated Management Information System
inc.	increase
IP	international Professional
IRM	Information Resources Management
JCGP	Joint Consultative Group on Policy
maint.	maintenance
MENA	Middle East and North Africa
MEP	Management Excellence Programme
MMR	maternal mortality rate
MTP	medium-term plan
MTR	mid-term review

ABBREVIATIONS (continued)

nat.	national
NGOs	non-governmental organizations
NISA	Nutrition Initiative in South Asia
NP	national Professional
ODA	official development assistance
OECD	Organisation for Economic Cooperation and Development
OIA	Office of Internal Audit
OLS	Operation Lifeline Sudan
org.	organization
oth.	other
PBR	programme and budget review
PEM	protein-energy malnutrition
PKN	Programme Knowledge Network
PON	The Progress of Nations
PRC	Publications Review Committee
Prof.	Professional
prog.	programme
PROMS	Programme Manager System
ROs	regional offices
RMT	regional management team
SAARC	South Asian Association for Regional Cooperation
SAFLAC	Special Adjustment Facility for Latin America and the Caribbean
SARO	South Asia Regional Office
soft.	software
SOWCR	The State of the World's Children report
TACRO	The Americas and the Caribbean regional office
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
USG	Under-Secretary-General
WAN	Wide Area Network

ORGANIZATION OF THE SECRETARIAT
1998 - 1999



I. EXECUTIVE SUMMARY

1. The Executive Director presents in this document the estimates for the 1998-1999 biennial support budget within the format agreed upon by the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and UNICEF in the harmonization document (E/ICEF/1997/AB/L.3 and Add.1 and E/ICEF/1997/12/Rev.1, decision 1997/5). As indicated in paragraph 44 of that document, the organization will limit the information in the biennial support budget document to the summary level so that Executive Board members can focus on strategic financial decision-making. However, should more detailed information be required, it will be made available upon request.

2. This is also the first budget that reflects the "integrated budgeting" approach approved by the Executive Board at its first regular session of 1997 (E/ICEF/1997/AB/L.4 and E/ICEF/1997/12/Rev.1, decision 1997/3) linking country programme planning and budgeting through the preparation of the country programme management plan (CPMP) and continuing the consolidation of different budget sources at headquarters and regional offices.

3. In response to the Executive Board's request, estimates are provided in document E/ICEF/1998/AB/L.4 for information purposes on country-by-country details, grouped by region, of the estimated distribution of resources for programmes and programme support, and the number of posts in each country office charged to the support budget and to the programme budget.

4. As indicated in paragraph 19 of the harmonization document, the present document also contains, in chapter IV, intercountry programmes for approval by the Executive Board. The intercountry programmes cover activities to be financed from both regular and other resources.

5. The budget proposal responds to the implementation of the change process and a reduction in regular resources income.

A. Overview and strategy

Programme context

6. The present biennial support budget covers the end of the 1990s for which the World Summit for Children set global goals for the survival, development and protection of children. Therefore, the objectives and priorities of the support budget need to take into account progress made and the remaining challenges for children. While the mid-decade review has shown that more progress is being made for the world's children than ever before, especially in the control of preventable diseases and micronutrient deficiencies as well as in the ratification of the Convention on the Rights of the Child, it also indicates that progress has been uneven and that some key areas have lagged behind. The progress report on follow-up to the World Summit (E/ICEF/1997/14 and Corr.1 and Corr.2) that was presented to the 1997 annual session of the Executive Board documented that the areas where progress has been weakest include the important areas of basic education, child malnutrition, under-five mortality, maternal mortality and sanitation. As a result, an estimated 12 million children continue to die every year, mostly from preventable causes.

7. The present biennial budget also covers the final two years of the medium-term plan (MTP) for the period 1996-1999 (E/ICEF/1996/AB/L.10) in which the commitment of UNICEF to the achievements of the goals for the year 2000 and implementation of the Convention are reaffirmed. Guaranteeing the rights of children and achieving the goals agreed by the global conferences, world summits and the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) ministers of development cooperation will not be possible if the resources available for development in general and for children in particular continue to decline. Article 4 of the Convention obliges all Governments to undertake appropriate measures to protect the rights of children "to the maximum extent of their resources and, where needed, within the framework of international cooperation".

8. Although UNICEF will continue to strive vigorously to enhance the effectiveness and efficiency of the resources that Governments, individuals, private enterprises and other members of civil society will invest in the future of children, its ultimate impact on the rights and well-being of children will depend on the overall level of resources available, including resources for the support budget. Indeed, the support budget covers the costs of important functions such as advocacy, development, formulation, delivery, review and evaluation of programme activities that are of direct significance for the survival, development and protection of children in the 161 countries, areas and territories where UNICEF has programmes of cooperation.

Support budget: strategy

9. During the past two years, under the rubric of the Management Excellence Programme (MEP), a number of key changes have taken place with the guidance and approval of the Executive Board to improve the overall effectiveness of UNICEF. The budgetary implications of these changes were approved by the Executive Board at its second regular session of 1996 (E/ICEF/1996/Rev.1, decisions 1996/10, 1996/11, 1996/12 and 1996/13 when it reviewed the first integrated budget for headquarters and regional offices for 1996-1997 (E/ICEF/1996/AB/L.5 and Corr.1). The structural changes made for 1997 were proposed to the Executive Board in the revised integrated budget for the biennium 1996-1997 for headquarters and regional offices (E/ICEF/1997/AB/L.5) and approved by the Executive Board at its first regular session of 1997 (E/ICEF/1997/12/Rev.1, decision 1997/4). Through consolidations, the number of headquarters divisions was reduced from 19 to 15 as compared to the 1994-1995 biennium. The revised budget approved by the Executive Board also allows the savings from the consolidation to be used for the start-up costs for a new Financial and Logistics System (FLS).

10. In 1997, the progress reports on MEP were discussed by the Executive Board through E/ICEF/1997/CRP.9 and Corr.1 and E/ICEF/1997/CRP.15 and E/ICEF/1997/AB/L.12 on oversight. The Executive Board's deliberations on these reports have provided guidance for this budget exercise. At the third regular session of 1997 of the Executive Board, the Executive Director presented the strategy outline for the 1998-1999 budget (E/ICEF/1997/CRP.28). The report highlights principles guiding the budget preparation and review processes, and describes key realignments in the roles of country, regional and headquarters offices.

11. The biennial support budget for 1998-1999 will serve specifically to:

(a) Maintain the centrality of the country programme by ensuring that programme assistance is least affected by the decrease in regular resources income;

(b) Transfer key functions closer to the country level to better manage and respond to the existing diversity among the situations faced by children;

(c) Establish new programme and financial management information systems to provide transparent and timely information for the management of UNICEF programmes. The section on the information technology system (paras. 53-61 below) explains the proposed budget;

(d) Reorganize and streamline headquarters to provide overall policy guidance and strategic planning, manage and integrate the global perspective in UNICEF work, and ensure quality standards and oversight of the UNICEF system as a whole;

(e) Implement the decision taken by the Executive Board on general resources allocations (E/ICEF/1997/12/Rev.1, decision 1997/18) and transfer the programme support costs for 25 offices from the programme budget to the support budget. The offices concerned are indicated in summary table V;

(f) Promote cost savings which will result in efficiency gains, particularly in the regional offices and at headquarters.

12. To improve the relevance and responsiveness of the country support budget, which accounts for $216 million, the programme and budget review (PBR) of country offices was held in each region. This process is described in annex I.

Support budget: proposed gross appropriation

13. Taking into account the downward trend in official development assistance (ODA), combined with the strengthening of the United States dollar, a conservative financial projection was made in the financial MTP for the period 1997-2000 (E/ICEF/1997/AB/L.10), which was approved by the Executive Board at its third regular session of 1997 (E/ICEF/1997/12/Rev.1, decision 1997/24). The present support budget proposal for 1998-1999 is based on these projections. Out of the projected total resources of $1.9 billion for 1998-1999, $1.4 billion will be for programmes, $0.35 billion for programme support and $0.17 billion for management and administration. The programme budget and the programme support budget will account for 91.5 per cent of total resources, leaving 8.5 per cent for management and administration. The support budget, comprising the programme support and management and administration of the organization, will account for 26.1 per cent of total resources.

14. Table 1 contains specific information regarding the gross support budget by appropriation line and location for 1998-1999. The proposed estimates amount to $527,495,900, which is $363,500, or less than 0.1 per cent over the approved 1996-1997 budget. Included in this amount is $18.8 million for the new support budget for the 25 country offices as per Executive Board decision 1997/18 on general resources allocations. In previous bienniums, and in line with previous policies, the programme support costs were financed from their programme budget as approved by the Executive Board in their respective country programme recommendation (CPR). Beginning in 1998, the programme support posts and operating costs will be financed from the support budget. Excluding this amount, the proposal reflects a decrease of $18.4 million, or a nominal reduction of 3.5 per cent.

15. Table 1 also shows that support budget resources allocated to country and regional offices will increase from 48.6 per cent of the support budget to 51.3 per cent in the 1998-1999 biennium. Resources for country offices will increase by 2.4 per cent to 41 per cent and for regional offices by 0.3 per cent to 10.3 per cent. By contrast, support budget resources allocated to headquarters will decrease from 51.4 to 48.7 per cent.

16. Figure A depicts the gross support budget estimates by appropriation line for 1998-1999 in graphical form. Out of the total gross appropriation, one third is for management and administration, and two thirds are for programme support.

17. As explained in paragraphs 14 and 21 of the harmonization document (E/ICEF/1997/AB/L.3 and Add.1), for UNICEF, regional offices will be combined with country offices in the appropriation structure to read "Country and regional offices" under the appropriation line "Programme support". This approach also reflects the concept of the region where support budgetary resources in the region are managed as a pool. However, to add transparency, figures for the budgets and for posts are shown separately by country offices, regional offices and headquarters divisions in the breakdown by locations in tables 1 and 2, as well as in other tables throughout the document. Administratively, in UNICEF, the regional Office for Europe (Geneva) is considered as a regional office. However, in the present budget document, because this Office does not support any country offices, it is included with the headquarters locations.

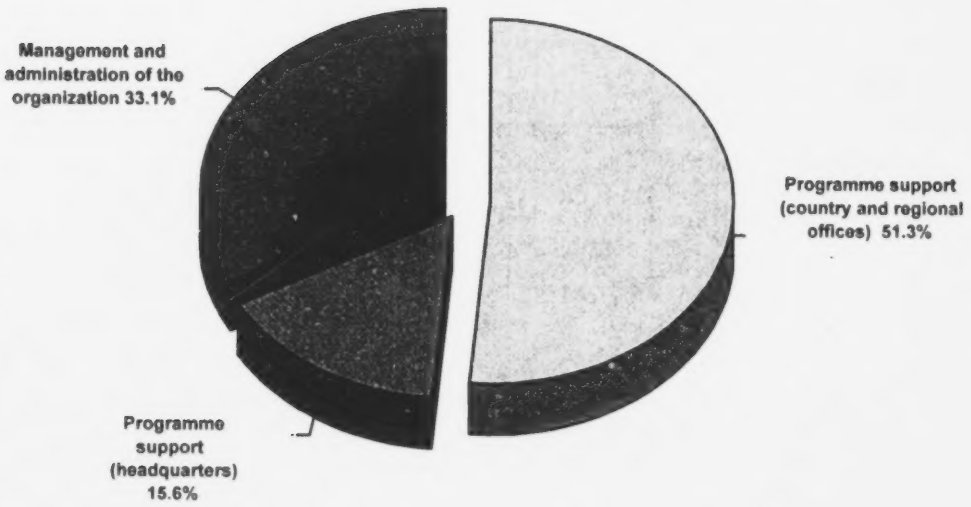
Table 1. Gross budget estimates by appropriation line and by location

(In thousands of United States dollars)

Gross budget estimates	1996-1997 Approved appropriations	% of total	Changes Volume Inc./(dec.)	%	Cost Inc./(dec.)	%	1998-1999 Proposed estimates	% of total
By appropriation line								
Programme support								
Country and regional offices	256,017.7	48.6	8,279.0	3.2	6,048.5	2.4	270,345.2	51.3
Headquarters	99,075.3	18.8	(15,740.8)	(15.9)	(889.4)	(0.9)	82,445.1	15.6
Subtotal	355,093.0	67.4	(7,461.8)	(2.1)	5,159.1	1.5	352,790.3	66.9
Management and admin. of org.	172,039.4	32.6	(6,476.7)	(3.8)	9,142.9	5.3	174,705.6	33.1
TOTAL	527,132.4	100.0	(13,938.5)	(2.6)	14,302.0	2.7	527,495.9	100.0
By location								
Country offices	203,237.7	38.6	8,991.8	4.4	3,866.4	1.9	216,095.9	41.0
Regional offices	52,780.0	10.0	(712.8)	(1.4)	2,182.1	4.1	54,249.3	10.3
Headquarters a/	271,114.7	51.4	(22,217.5)	(8.2)	8,253.5	3.0	257,150.7	48.7
TOTAL	527,132.4	100.0	(13,938.5)	(2.6)	14,302.0	2.7	527,495.9	100.0
Income	(47,162.5)						(48,580.0)	
Net budget estimates	479,969.9						478,915.9	

a/ Includes regional Office for Europe.

Figure A. Gross budget estimates by appropriation line, 1998-1999


Management and administration of the organization 33.1%
Programme support (country and regional offices) 51.3%
Programme support (headquarters) 15.6%

Support budget: staffing proposal

18. Table 2 provides a summary of regular resource posts by appropriation line, category and location. The total number of regular posts in the 1998-1999 biennium is projected to be 2,459, which is 70 posts, or 2.8 per cent less than the 1996-1997 approved budget of 2,529 posts. Included in the 2,459 posts are 120 posts transferred from the programme budget for the 25 offices. Excluding the transfer of these posts, the net reduction totals 190 posts, or 7.5 per cent.

Headquarters

19. The posts at headquarters are projected to decline from a total of 795 to 746, i.e., a reduction of 49 posts, or 6.2 per cent compared with the 1996-1997 approved budget. This reduction at headquarters is in addition to the reduction of 4.4 per cent in the number of staff during the 1996-1997 biennium compared with the approved budget for the 1994-1995 biennium. The decline in staffing levels at headquarters results from various factors that are at work simultaneously, the most important of which are: the reduced level of resources; further decentralization; and the use of new information technology.

Regional and country offices

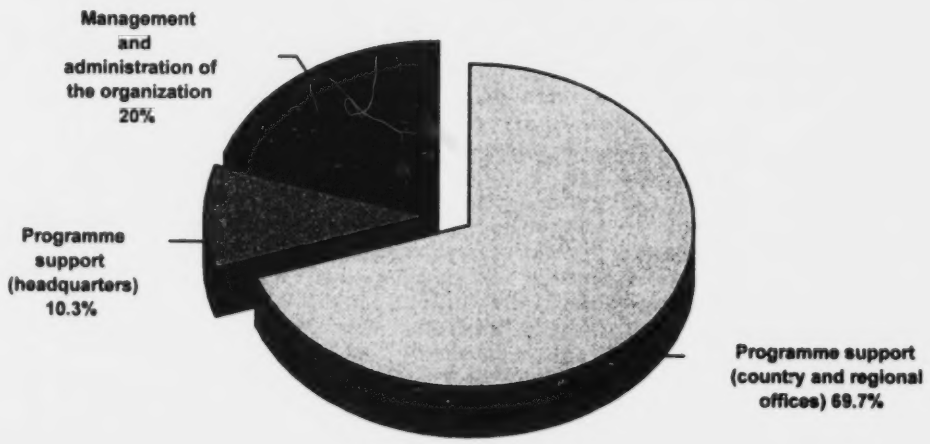
20. Out of the total of 2,459 posts, 58.2 per cent are projected to be located in country offices, an increase from 56.7 per cent in the approved budget for 1996-1997. Regional offices and headquarters are projected to account for 11.5 and 30.3 per cent, respectively, of the regular posts. Figure B shows that 80 per cent of the posts are for programme support.

Table 2. Regular resource posts by category, appropriation line and location

Posts	1996-1997 approved posts					Changes				1998-1999 proposed posts				
					%	Increase/(decrease)								%
	IP	NP	GS/Oth.	Total	of total	IP	NP	GS/Oth.	Total	IP	NP	GS/Oth.	Total	of total
By appropriation line														
Programme support														
Country and regional offices	355	244	1,135	1,734	68.6	35	(17)	(39)	(21)	390	227	1,096	1,713	69.7
Headquarters	122	0	154	276	10.9	(6)	0	(16)	(22)	116	0	138	254	10.3
Subtotal	477	244	1,289	2,010	79.5	29	(17)	(55)	(43)	506	227	1,234	1,967	80.0
Management and admin. of org.	217	2	300	519	20.5	3	0	(30)	(27)	220	2	270	492	20.0
TOTAL	694	246	1,589	2,529	100.0	32	(17)	(85)	(70)	726	229	1,504	2,459	100.0
By location														
Country offices	258	218	957	1,433	56.7	29	(13)	(19)	(3)	287	205	938	1,430	58.2
Regional offices	97	26	178	301	11.9	6	(4)	(20)	(18)	103	22	158	283	11.5
Headquarters a/	339	2	454	795	31.4	(3)	0	(46)	(49)	336	2	408	746	30.3
TOTAL	694	246	1,589	2,529	100.0	32	(17)	(85)	(70)	726	229	1,504	2,459	100.0

a/ Includes regional Office for Europe.

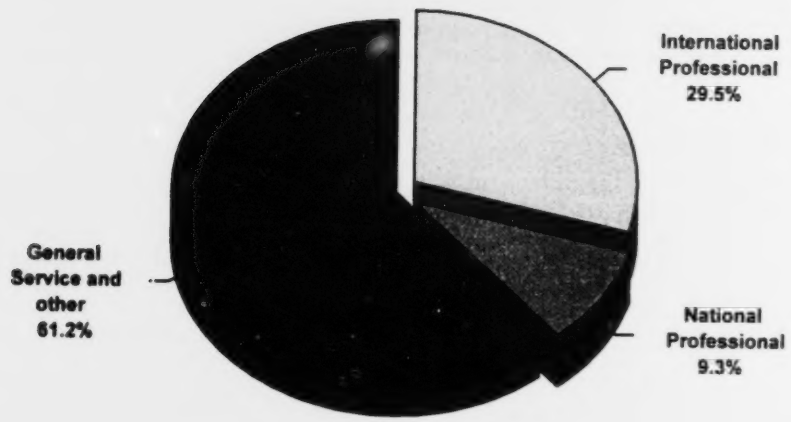
Figure B. Regular resource posts by appropriation line, 1998-1999


Management and administration of the organization 20%
Programme support (headquarters) 10.3%
Programme support (country and regional offices) 69.7%

21. Figure C further shows that 30 per cent of the posts are in the international Professional category, 9 per cent are in the national Professional category and 61 per cent are in the General Service category.

22. The reduction of posts and its effect on staff have caused concern as expressed by delegations in their deliberations at the third regular Board session of 1997. Early in 1997, in response to the deteriorating financial situation, the Executive Director froze recruitment against most vacant posts at headquarters and also authorized a voluntary separation scheme for local staff in a few offices, including New York headquarters. Additional transitional support and counselling services are also provided for staff at New York headquarters.

Figure C. Regular resource posts by category, 1998-1999



Additional considerations

23. The mid-decade review of progress towards the global goals for the year 2000 indicates that development cooperation worked. It is apparent that without ODA, part of which is channelled through UNICEF, the situation of children would not have made the same progress, particularly in low-income countries and the least developed countries. However, the mid-decade review also shows that serious challenges remain. At the recent world conferences, as well as in the policy statement of OECD/DAC on "Shaping the 21st Century", countries have pledged to increase their aid effort and to target it more vigorously on basic social services, as agreed by the World Summit for Social Development in the form of the 20/20 initiative. Despite these renewed commitments and serious challenges, there is a gap between stated commitments and actual financial pledges. At this juncture, UNICEF is very worried that a declining resource base for the crucial last years of the century will have a direct negative impact on the level of achievement of the World Summit for Children year 2000 goals as well as on the expanded agenda for children implied in the Convention on the Rights of the Child.

24. Taking into account the downward trend in ODA, combined with the strengthening of the United States dollar, the Executive Director considers it prudent to assume a conservative projection of income. The Executive Director is also aware that the ratio of the support budget to total resources is projected to increase slightly to 26.1 per cent as a result of the conservative income projections. Within the overall context of financial constraints, the proposed budget attempts to maintain UNICEF programme activities without undermining its capacity to provide essential support to the development, implementation, monitoring and evaluation of these programmes. Other initiatives such as increasing income through continuous resource mobilization efforts, efficiency in programme support management and promoting the Secretary-General's reform activities are being pursued within MEP in the coming biennium.

Increase income

25. An oral report on resource mobilization strategy will be presented to the Executive Board in 1998. If programme resources can be increased without enlarging the support structure, the share of the support budget to total resources will be reduced in the long-term. Any further reductions in the support budget at this time would significantly weaken UNICEF capacity.

Increase efficiency in programme support and administrative management

26. As mentioned earlier, programme support is critical for effective programme management and implementation. The UNICEF programme support team in country and regional offices engages in activities of advocacy for children, capacity-building and programme delivery. At present, UNICEF maintains the support and project structure in 133 field and regional office locations for programme cooperation with 161 countries, areas and territories. Regionalization and information technology efficiency gains have helped to manage this diversity and contain costs. Future abilities for UNICEF to effectively manage so many locations without increased regular resources income will be a challenge.

United Nations reform

27. The principles of the Secretary-General's United Nations reform process, such as creating efficiency savings for use in programmes and budgeting for results, have been reflected in this budgetary process. Several reform initiatives, such as the United Nations Development Assistance Framework (UNDAF), and common premises and services, have been built into the work plans of the respective offices and divisions for the next two years, in particular:

(a) In the programme area, UNICEF has chaired the Joint Consultative Group on Policy (JCGP) that developed UNDAF. Eleven pilot countries are identified as Phase One pilot countries, although others may also initiate an UNDAF process;

(b) In the JCGP subgroup on common premises and services, UNICEF has helped to identify a common database application that will contain information on premises in countries where JCGP organizations are represented. Thirty-five UNICEF country offices are now housed in the same premises with one or more other United Nations agencies. In addition, three pilot country offices are being studied in 1997 for common premises and designation as United Nations house, and more offices will be evaluated in 1998;

(c) One senior staff member in the Office of the Executive Director has been seconded to the office supporting the United Nations Development Group. Other staff may be seconded in the future to this and other key departments.

28. The Executive Director reiterates the Secretary-General's view that reform is not an exercise to simply cut costs or reduce staff. It is an exercise to ensure that the resources are used to achieve the mandates that the organization is entrusted with in the most effective and efficient way. It is with this notion in mind that the Executive Director recommends this budget proposal for approval by the Executive Board.

B. Financial framework

29. The financial MTP for 1997-2000 and related recommendation was presented to the 1997 Executive Board at its third regular session of 1997. The Executive Board approved the financial plan as a framework of projections (decision 1997/24). The present budget proposal for 1998-1999 is based on the projections in the financial plan which are shown in table 3 of the present document. The figures for 1996-1997 in table 3 are based on the MTP for the period 1996-1999 as approved by the Executive Board at its 1996 annual session (E/ICEF/1996/12/Rev.1, decision 1996/26) where the approved budget for 1996-1997 was reflected.

30. The first section, "Resources available", covers total resources (both regular and other resources) that are projected to be available to the organization. Regular resources refer to the voluntary contributions received from Governments and from the private sector (mostly through Greeting Card and related Operations (GCO)) to general resources. Other resources refer to voluntary contributions received from Governments and the private sector to supplementary-funded programmes. A separate line is provided for "Reimbursement for services". The figures refer to the fees received for the procurement services undertaken by Supply Division for third parties. An additional line is included for special accounts, which were not considered as UNICEF income, but which have close relationships with programmes implemented at the field level, and hence have a bearing on the workload. Amounts for disbursement in the special accounts are included under "Programmes".

31. Table 3 shows that total resources available (including opening balance and special accounts) are projected to decline from $2,443 million originally planned in 1996-1997 to the latest projection of $2,374 million in the 1998-1999 biennium, i.e., a decrease of 3 per cent in nominal terms. Net of the changes in opening balances and special accounts, the nominal decline is projected to be nearly 6 per cent. The decline is projected to be more pronounced for supplementary funding than for general resources. Owing to the strengthening of the United States dollar and less emergency assistance than assumed, more recent projections for 1996-1997 are indicated in the financial plan for 1997-2000.

32. The second section, "Use of resources", sets forth estimates relating to the organization's programme activities. This provides a comprehensive picture of the totality of the resources and their use for purposes of programmes,

programme support, and management and administration of the organization. Because the estimates under "B" and "C" in table 3 are presented on a net basis, and due to the different treatment on the income to the budget between the two bienniums (see para. 40 below), the net support budget figures for the two bienniums are not completely comparable. For reconciliation with table 1, the third section, "Reconciliation: Gross budget estimates" is provided.

33. The total resources for programmes in this table show a decrease from $1,572.0 million originally planned in 1996-1997, to $1,425.6 million in 1998-1999, or a 9.3 per cent decrease. Taking into account the actual receipt of income and implementation as of September 1997, the revised programme expenditure estimates for 1996-1997 are 12 per cent less than originally planned. The recent estimates for 1996-1997, as compared with the projection for 1998-1999, are presented in table 12 with a regional breakdown.

34. Under the second section, the $24.4 million shown under "Other resources" for programme support for 1998-1999 include the 3 per cent to recover the general operating costs that UNICEF charges for supplementary funds. This interim recovery policy was established by the Executive Board in decision 1994/R.3/5 (E/ICEF/1994/13/Rev.1), which also requested the secretariat to prepare a report on the recovery policy for the Executive Board in 1999 and to maintain the 3 per cent until after the review. The Executive Director requests that the report be submitted to the Executive Board at its second regular session of 1998 so that the decision of the Executive Board can be incorporated into the budget preparation process for the next biennium.

35. Using the conservative projections of income for 1998-1999, table 3 and figure D show that 91.5 per cent of total resources will be for programmes (73.9 per cent) and programme support (17.6 per cent), while the remaining 8.5 per cent will be for management and administration. As mentioned earlier, programme support is critical for effective programme management and implementation. Activities undertaken by divisions under management and administration at headquarters also contribute to strengthening the organization. For example, evaluation and policy analysis in the Division of Evaluation, Policy and Planning (EPP) is essential for ensuring that programme approaches are based on sound analytical underpinnings. Activities in the Division of Communication (DOC) provide the technical expertise for advocating issues for children and women with all partners and in all UNICEF programmes of cooperation. The Division of Information Resources Management (IRM) enables information technology to be used in acquiring knowledge about programme experiences on children and women, and in global tele-networking with UNICEF partners.

36. During previous Executive Board deliberations, some discussions were held concerning the decentralization of headquarters management and administration functions to the regional offices, and it was debated that, rather than grouping all regional offices under programme support, some portion of the regional offices should also be classified as management and administration. This was discussed at length in the secretariat. The classifications of an organizational unit into either programme support or management and administration are related to the primary functions of the organizational unit. The primary functions of regional offices are in the development, formulation, delivery and evaluation of the programmes of the region, and separating regional offices into two appropriation lines will make the presentation of information too complicated. The secretariat, however, has made a separate calculation of the portion of regional office budgets in the management of human resources, finance and information technology. These are shown in summary table VI. On the other hand, as mentioned in the previous paragraph, there are also activities in the offices under management and administration that provide contributions to programme support activities.

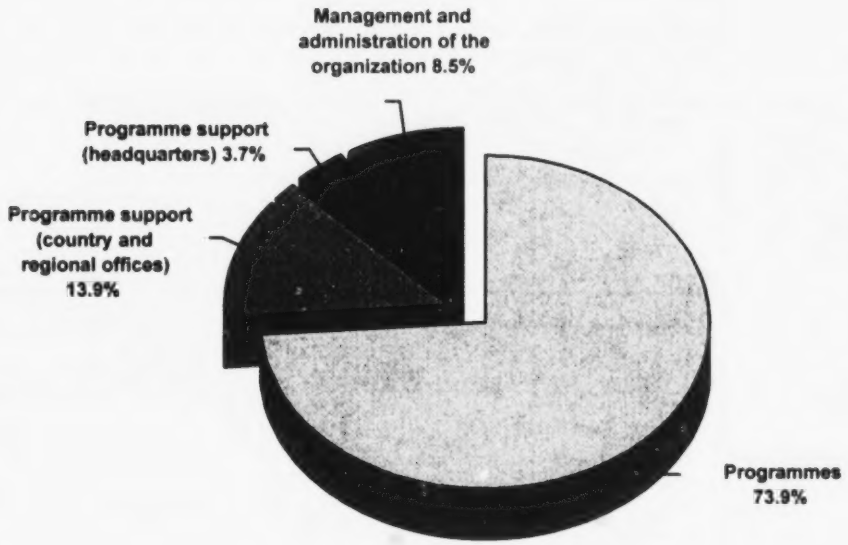
Table 3. UNICEF resource plan

(In millions of United States dollars)

	1996-1997						1998-1999					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Resources available												
Opening balance	83.0		268.0		351.0		102.0		301.0		403.0	
Income												
Contributions	814.0		527.0		1,341.0		756.0		571.0		1,327.0	
GCO (net income)	345.0		337.0		682.0		367.0		209.0		576.0	
Reimbursement for services	0.0		9.2		9.2				8.0		8.0	
Special accounts			60.0		60.0				60.0		60.0	
Total	1,242.0		1,201.2		2,443.2		1,225.0		1,149.0		2,374.0	
Use of resources												
UNICEF programmes and support activities												
A. Programmes	674.0	58.4	898.0	97.0	1,572.0	75.6	629.0	56.8	796.6	97.0	1,425.6	73.9
B. Programme support												
Country and regional offices	227.9	19.7	28.1	3.0	256.0	12.3	243.2	22.0	24.4	3.0	267.6	13.9
Headquarters	81.1	7.0	0.0	0.0	81.1	3.9	71.7	6.5	0.0	0.0	71.7	3.7
Total programme support	309.0	26.8	28.1	3.0	337.1	16.2	314.9	28.4	24.4	3.0	339.3	17.6
C. Management and admin. of org. a/	171.0	14.8	0.0	0.0	171.0	8.2	164.0	14.8	0.0	0.0	164.0	8.5
Total	1,154.0	100.0	926.1	100.0	2,080.1	100.0	1,107.9	100.0	821.0	100.0	1,928.9	100.0
Reconciliation: Gross budget estimates												
Total from above	1,154.0		926.1		2,080.1		1,107.9		821.0		1,928.9	
Less: Programmes	674.0		898.0		1,572.0		629.0		796.6		1,425.6	
Subtotal	480.0		28.1		508.1		478.9		24.4		503.3	
Add: Reimbursement for services	1.0		8.9		9.9		1.5		7.0		8.5	
Income to the budget	46.1		(28.1)		18.0		47.1		(24.4)		22.7	
Total gross budget estimates	527.1		8.9		536.0		527.5		7.0		534.5	

a/ Includes regional Office for Europe.

Figure D. Use of total resources, 1998-1999


Management and administration of the organization 8.5%
Programme support (headquarters) 3.7%
Programme support (country and regional offices) 13.9%
Programmes 73.9%

II. PROPOSALS FOR THE 1998-1999 BIENNIAL SUPPORT BUDGET

A. General

37. The total proposal for the 1998-1999 biennial support budget is shown in table 1 and explained in paragraph 14 above. The zero growth budget (in nominal terms) reflects an increase in costs of $14.3 million (2.7 per cent) due to inflationary and other cost factors, offset by a decrease in volume of $13.9 million (2.6 per cent). As summarized in table 1, excluding the inflationary effect, there is an 8.2 per cent volume reduction at headquarters, a 1.4 per cent volume reduction in seven regional offices and a 4.4 per cent volume increase in country offices due to the new support budget in 25 offices. The breakdown of the proposal into regions and headquarters divisions is shown in chapter V, summary table I. Summary table II provides a financial overview of the proposed budget estimates by main expenditure category within each appropriation line, while the graphical presentation is shown in figure F.

Cost (increase/decrease) a/

38. It should be noted that the inflationary cost increase factor of $14.3 million, or 2.7 per cent, is compared with the prices and exchange rates used in the approved 1996-1997 support budget. As shown in summary table I, the cost increase of $14.3 million comprises the following elements:

(a) A net increase of $5.6 million for inflationary costs in non-staff expenses offset by the strengthening of the United States dollar;

(b) A net increase of $8.7 million for various staff-related costs, e.g. within-grade salary increments, classification and salary increases.

Volume (increase/decrease) a/

39. Summary table II shows volume changes for major categories of expenditure totalling a net reduction of $13.9 million. A brief explanation is given below:

(a) A volume increase of $10.3 million, or 3.2 per cent, for "posts". This is the net result of:

(i) A volume reduction of $11.0 million due to net post reductions mentioned in paragraphs 18-20 above;

(ii) The addition of $11.9 million for the costs of posts transferred from project posts in the 25 country offices (decision 1997/18);

(iii) An increase in separation costs from $2.0 million to $6.5 million;

(iv) An increase of $4.9 million in the refunds of income tax from $9.8 million to $14.7 million. In the 1996-1997 biennium, when the headquarters and regional office budgets were integrated into one budget, the expenditure under this item in previous years was not estimated correctly due to incomplete information. The actual expenditure recorded in 1996 has shown the variance between the actual and the approved. This situation is corrected in the 1998-1999 budget proposal.

The vacancy factor for the international Professional posts is assumed to be 6 per cent, the same as in the approved 1996-1997 support budget. As in the past, the vacancy factor is not applied to local posts as local posts can usually be filled by temporary assistance until a staff member is appointed;

(b) A volume increase of $2.0 million for consultants. This is due partly to the new classification of expenditure codes. Some of the consultancy contracts in 1998-1999 were previously included in other staff costs or operating expenses;

(c) A volume reduction of $1.2 million, or 6 per cent, in travel, due partly to regionalization and improvements in technology. This reflects more travel within the regions and less tra el between headquarters and the regions. Improvements in technology enable broad ranges of people in different locations to work together on problems using the Internet;

(d) A volume reduction of $24.8 million, or 18 per cent, in operating costs; one half of this reduction is in the reduction of contractual services for warehouse packing and assembly, publications and audio-visual production. The other half is in rental and maintenance of equipment, electronic data-processing supplies and packing materials for the warehouse. Due to the new coding classification, some system maintenance and publication consultancy expenses previously shown under operating expenses are shifted to other staff costs and consultancy;

(e) A volume increase of $1.5 million, or 14 per cent, in United Nations reimbursement. Part of this increase is due to the new joint review by UNDP, UNFPA and UNICEF with regard to reimbursement to the United Nations. Given the fact that negotiations are ongoing among the three agencies, it is agreed to estimate the respective budgets using a 25 per cent increase over the 1996 amount based on a review of previous years.

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a/ See annex II for definitions.

Income to the budget

40. As shown in table 1, the income to the budget is estimated to increase from $47.2 million in 1996-1997 to $48.6 million in 1998-1999, which is the net changes in the following items:

(a) Recovery from packing and assembly activities;

(b) Recovery from supplementary-funded projects;

(c) Income from administration of non-procurement special accounts and Junior Professional Officers;

(d) Refunds to staff members for income taxes levied by Member States in respect of income derived from the organization.

The item under (a) was explained in paragraph 40 of the harmonization document (E/ICEF/1997/AB/L.3). Items (b) and (c) were explained in paragraphs 37 and 38, respectively, of the same document. Item (d) is proposed to be included as income to the budget starting in 1998. This will enable harmonization with the UNDP budget presentation.

Staffing proposals

41. The post changes for this budget proposal are summarized in paragraph 18 above. The background for the changes in this proposal has been communicated to the Board through several progress reports:

(a) Roles of the programme group, regional offices and country offices concerning the programme process in E/ICEF/1997/CRP.15. Efficiency gains were also shown;

(b) A description of the transformation of divisions at headquarters, including a detailed description of the restructuring of both the Division of Human Resources (DHR) and Supply Division, in E/ICEF/1997/CRP.9 and Corr.1;

(c) The progress report on oversight (E/ICEF/1997/AB/L.12) describes key roles and responsibilities of country offices, regional offices and headquarters for performance monitoring, evaluation, audit and investigation activities. It also contains a detailed description of the Office of Internal Audit (OIA) and EPP. The Executive Board decision is contained in decision 1997/28 (E/ICEF/1997/12/Rev.1);

(d) The budget strategy paper (E/ICEF/1997/CRP.28) also describes key alignments in the roles of country, regional and headquarters offices.

42. The present budget proposal does not change any responsibilities or principles discussed in those reports. The budget process reviewed more critically the need to:

(a) Capture all efficiency savings gained so far;

(b) Align the accountabilities to the functions decentralized from headquarters to the regions;

(c) Reconfigure some activities to increase effectiveness;

(d) Focus on priority activities and eliminate those activities and the related costs which cannot be afforded due to the current financial situation. Overall, the financial constraints have increased the pressure to review the budget very critically to maximize cost savings.

43. In the present proposal, for headquarters, the number of posts was reduced by 6 per cent, from 795 to 746 posts (see table 2), i.e., a reduction of 3 international Professional and 46 General Service posts, totalling 49 posts. The distribution between programme support and management and administration is also shown in table 2. As compared to 1994-1995, the number of posts at headquarters has decreased by about 9 per cent. As a result, the percentage of headquarters posts in the support budget was reduced from 32.7 per cent in 1994-1995 to 30.3 per cent in the present budget proposal. A comparison with the 1990-1991 and 1992-1993 bienniums is also provided. The average grade for international Professional posts at headquarters has been reduced from 5.09 in 1994-1995 to 4.21 in 1998-1999.

Table 4. Headquarters posts in the biennial support budgets

	1990-1991	1992-1993	1994-1995	1996-1997	1998-1999
HQ posts					
IP	293	319	342	339	336
NP and GS	421	466	474	456	410
Total: HQ a/	714	785	816	795	746
Total UNICEF posts b/	2 297	2 438	2 495	2 529	2 459
Percentage of HQ posts to the total UNICEF posts in the support budget	31.1	32.2	32.7	31.5	30.3

a/ Includes global funds and recovery posts for 1995 and prior.

b/ Excludes project posts charged to the programme budget.

44. The proposed major reorganization as mentioned in the MEP papers will be in Programme Division, IRM, DHR and the regional Office for Europe (Geneva). Supply Division has gone through its reorganization in 1997 (see document E/ICEF/1997/AB/L.14). After reorganization in 1997, DOC further reduced both posts and activities. As mentioned in paragraph 22 above, several human resources measures have been put into place to help with the transition.

Table 5. Headquarters divisions and offices affected by major reorganization

Divisions	Approved 1996-1997	Total increase/decrease	Proposed 1998-1999
Programme Division	122	(20)	102
Division of Communication	75	(11)	64
Division of Human Resources	84	(5)	79
Division of Information Resources Management	50	(1)	49
Regional Office for Europe	54	(2)	52
Subtotal	385	(39)	346
Other offices at headquarters	410	(10)	400
Total, Headquarters	795	(49)	746

45. For regional offices as a group, it is proposed that the number of posts be reduced by 6 per cent from 301 to 283. This represents a net increase of 6 international Professional posts, offset by a reduction of 4 national Professional and 20 General Service posts. Thirteen out of the 20 General Service posts are shifted to common service units managed by country offices. Changes in individual regional offices are indicated below. Three regions have substantial reductions in the number of posts, while three other regions have a modest increase. The details are explained in section B below.

Table 6. Regular resource posts by category within the regions

Posts	1996-1997 approved posts					Changes				1998-1999 proposed posts				
					%	Increase/(decrease)								%
	IP	NP	GS/oth	Total	of total	IP	NP	GS/oth	Total	IP	NP	GS/oth	Total	of total
Regional offices														
West and Central Africa region	19	2	33	54	17.9	0	0	0	0	19	2	33	54	19.1
Eastern and Southern Africa region	22	7	37	66	21.9	0	(2)	(11)	(13)	22	5	26	53	18.7
The Americas and the Caribbean region	13	4	22	39	13.0	(1)	1	(4)	(4)	12	5	18	35	12.4
East Asia and the Pacific region	13	5	36	54	17.9	1	(5)	(4)	(8)	14	0	32	46	16.3
South Asia region	9	2	16	27	9.0	2	0	2	4	11	2	18	31	11.0
Middle East and North Africa region	11	6	27	44	14.6	2	2	(1)	3	13	8	26	47	16.6
CEE, CIS and the Baltic States region	10	0	7	17	5.6	2	0	(2)	0	12	0	5	17	6.0
TOTAL	97	26	178	301	100.0	6	(4)	(20)	(18)	103	22	158	283	100.0

46. For country offices as a group, excluding the 25 offices with new support budgets, there was a decrease of 123 posts. The Executive Board should recall that the 1996-1997 support budget for country offices was approved through a baseline approach of costing the same support structure as in 1994-1995 (see E/ICEF/1995/AB/L.5). Since the initiation of integrated budgeting, a careful review using the CPMPs has aligned posts properly with the programme structures taking into account new technology and work processes in the offices. Examples of measures for cost-effectiveness in various country offices were mentioned in document E/ICEF/1997/CRP.9 and Corr.1. The details are given in section B below under each region.

Table 7. Regular resource posts by category in the country offices

Posts	1996-1997 approved posts					Changes				1998-1999 proposed posts				
					%	Increase/(decrease)								%
	IP	NP	GS/oth	Total	of total	IP	NP	GS/oth	Total	IP	NP	GS/oth	Total	of total
Country offices														
Conversion of posts (25 offices)	0	0	0	0	0.0	32	18	70	120	32	18	70	120	8.4
Other country offices	258	218	957	1,433	100.0	(3)	(31)	(89)	(123)	255	187	868	1,310	91.6
TOTAL	258	218	957	1,433	100.0	29	(13)	(19)	(3)	287	205	938	1,430	100.0

47. The net change in post grades of international Professional posts are summarized in table 8. Proposals for changes in senior posts at the D-1 and D-2 levels are summarized as follows:

(a) An increase of two D-2 posts is proposed: one is due to the upgrading of the director, Change Management, and the other is the upgrading of the representative in Pakistan. For the former, this post is classified at the higher grade due to the high impact of the reform programme on the overall UNICEF activities. For the latter, the Executive Board should recall that this post was classified at the D-2 level using the International Civil Service Commission (ICSC) methodology, but was not implemented in 1994-1995;

(b) Other changes in D-1 posts result in no change in numbers except the two upgradings to the D-2 level:

(i) The upgrading of the post of deputy director, Office of Emergency Programmes (EMOPS), from the P-5 to the D-1 level;

(ii) The creation of one D-1 post for secondment as chief, Inter-agency Support Branch, in the new Office of the Emergency Relief Coordinator;

(iii) The reorganization of Programme Division results in no change in D-1 posts; abolishment of two posts of geographical desk chief replaced by one D-1 post of chief of the consolidated geographical sections and one post of chief of the Child Protection Section;

(iv) The downgrading of the posts of representatives in Guatemala and Mexico from the D-1 to the P-5 level using the ICSC methodology;

(v) The conversion from the programme budget to the support budget of the post of area representative of the Central Asia Republics and Kazakstan area office and the post of special representative for the republics of the former Yugoslavia area office both at the D-1 level;

(vi) The conversion of the post of deputy director at the India country office to the programme budget;

(vii) The abolishment of the level-6 post of regional adviser, human development, at the Americas and the Caribbean Regional Office (TACRO).

Table 8. Proposed changes in regular resource post requirements, 1998-1999

Organizational unit	1996-1997	International Professional category and above									GS and other categ	Grand total	1998-1999
		USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/-1	Total	Nat Prof			
1996-1997 APPROVED POSTS		3	25	55	242	218	119	32	694	246	1589	2529	
POST INCREASES/DECREASES													
A. Programme support													
1. Country and regional offices													
West and Central Africa region	360	0	0	0	0	1	0	0	1	(2)	0	(1)	359
Eastern and Southern Africa region	345	0	0	0	(3)	3	(1)	1	0	(7)	(10)	(17)	328
The Americas and the Caribbean region	237	0	0	(1)	(1)	7	(1)	0	4	5	(10)	(1)	236
East Asia and the Pacific region	242	0	0	0	(1)	2	2	1	4	(9)	(24)	(29)	213
South Asia region	326	0	0	(1)	(2)	2	(1)	0	(2)	(14)	(28)	(44)	282
Middle East and North Africa region	190	0	0	0	3	1	(1)	0	3	(1)	(19)	(17)	173
CEE, CIS and the Baltic States region	34	0	0	2	5	16	2	0	25	11	52	88	122
Total (net) - A.1	1 734	0	0	0	1	32	0	2	35	(17)	(39)	(21)	1 713
2. Headquarters													
Programme Division	122	0	0	0	(1)	(5)	0	(1)	(7)	0	(13)	(20)	102
Office of Emergency Programmes	20	0	0	1	(1)	0	0	0	0	0	0	0	20
Supply Division	130	0	0	0	0	0	0	0	0	0	(3)	(3)	127
Programme Manager System	0	0	0	0	0	0	0	0	0	0	0	0	0
Regional Office for Europe, Emergency Section	4	0	0	0	0	0	1	0	1	0	0	1	5
Total (net) - A.2	276	0	0	1	(2)	(5)	1	(1)	(6)	0	(16)	(22)	254
Total (net) - A	2 010	0	0	1	(1)	27	1	1	29	(17)	(55)	(43)	1 967
B. Management and administration of organization													
1. Headquarters													
Office of the Executive Director	18	0	0	0	0	0	0	0	0	0	0	0	18
Division of Evaluation, Policy and Planning	33	0	0	0	1	2	0	0	3	0	0	3	36
Office of Internal Audit	19	0	0	0	0	1	0	0	1	0	0	1	20
Office of the Secretary of the Executive Board	10	0	0	0	0	0	0	0	0	0	0	0	10
Programme Funding Office	29	0	0	0	0	(1)	(1)	0	(2)	0	(1)	(3)	26
Office of UN Affairs and External Relations	12	0	0	0	(1)	(1)	0	0	(2)	0	(1)	(3)	9
Division of Communication	75	0	0	0	0	(2)	(1)	0	(3)	0	(8)	(11)	64
Division of Human Resources	84	0	0	0	(1)	0	0	0	(1)	0	(4)	(5)	79
Division of Financial and Administrative Management	132	0	0	0	0	(1)	0	1	0	0	(5)	(5)	127
Division of Information Resources Management	50	0	0	0	1	(2)	5	3	8	0	(9)	(1)	49
Office for Japan	7	0	0	0	0	0	0	0	0	0	0	0	7
Regional Office for Europe (Geneva)	50	0	0	0	1	(1)	(1)	0	(1)	0	(2)	(3)	47
Total (net) B	519	0	0	0	1	(5)	3	4	3	0	(30)	(27)	492
Total: Post increases/decreases (net)	2 529	0	0	1	0	22	4	5	32	(17)	(85)	(70)	2 459

Table 8. Proposed changes in regular resource post requirements, 1998-1999 (continued)

Organizational unit	1996-1997	International Professional category and above									GS and other categ	Grand total	1998-1999
		USG ASG	D-2	D-1	P-5	P-4	P-3	P-2/-1	Total	Nat Prof			
POST RECLASSIFICATIONS													
A. Programme support													
Country and regional offices													
West and Central Africa region		0	0	0	0	1	(1)	0	0	0	0	0	
Eastern and Southern Africa region		0	0	0	0	1	(1)	0	0	0	0	0	
The Americas and the Caribbean region		0	0	(2)	2	0	0	0	0	0	0	0	
East Asia and the Pacific region		0	0	0	0	1	(1)	0	0	0	0	0	
South Asia region		0	1	(1)	1	(1)	0	0	0	0	0	0	
Middle East and North Africa region		0	0	0	0	0	0	0	0	0	0	0	
CEE, CIS and the Baltic States region		0	0	0	0	0	0	0	0	0	0	0	
Headquarters													
Programme Division		0	0	0	(1)	1	0	0	0	0	0	0	
Office of Emergency Programmes		0	0	1	(1)	0	0	0	0	0	0	0	
Supply Division		0	0	0	0	1	(1)	0	0	0	0	0	
Regional Office for Europe, Emergency Section		0	0	0	0	0	0	0	0	0	0	0	
Total (net) - A		0	1	(2)	1	4	(4)	0	0	0	0	0	
B. Management and administration of the organization													
Headquarters													
Office of the Executive Director		0	1	(1)	0	0	0	0	0	0	0	0	
Division of Evaluation, Policy and Planning		0	0	0	0	0	0	0	0	0	0	0	
Office of Internal Audit		0	0	0	0	0	0	0	0	0	0	0	
Office of the Secretary of the Executive Board		0	0	0	0	0	0	0	0	0	0	0	
Programme Funding Office		0	0	0	0	0	(2)	2	0	0	0	0	
Office of UN Affairs and External Relations		0	0	0	1	(1)	0	0	0	0	0	0	
Division of Communication		0	0	0	1	4	(4)	(1)	0	0	0	0	
Division of Human Resources		0	0	0	0	0	0	0	0	0	0	0	
Division of Financial and Administrative Management		0	0	0	0	0	0	0	0	0	0	0	
Division of Information Resources Management		0	0	0	2	(1)	(1)	0	0	0	0	0	
Office for Japan		0	0	0	0	0	0	0	0	0	0	0	
Regional Office for Europe (Geneva)		0	0	0	0	0	0	0	0	0	0	0	
Total (net) - B		0	1	(1)	4	2	(7)	1	0	0	0	0	
Total Post reclassifications (net)		0	2	(3)	5	6	(11)	1	0	0	0	0	
Total Changes (net)	2.529	0	2	(2)	5	28	(7)	6	32	(17)	(85)	(70)	2.459
1998-1999 PROPOSED POSTS		3	27	53	247	246	112	38	726	229	1.504	2.459	

Figure E. Regular resource posts by category and appropriation line, 1998-1999

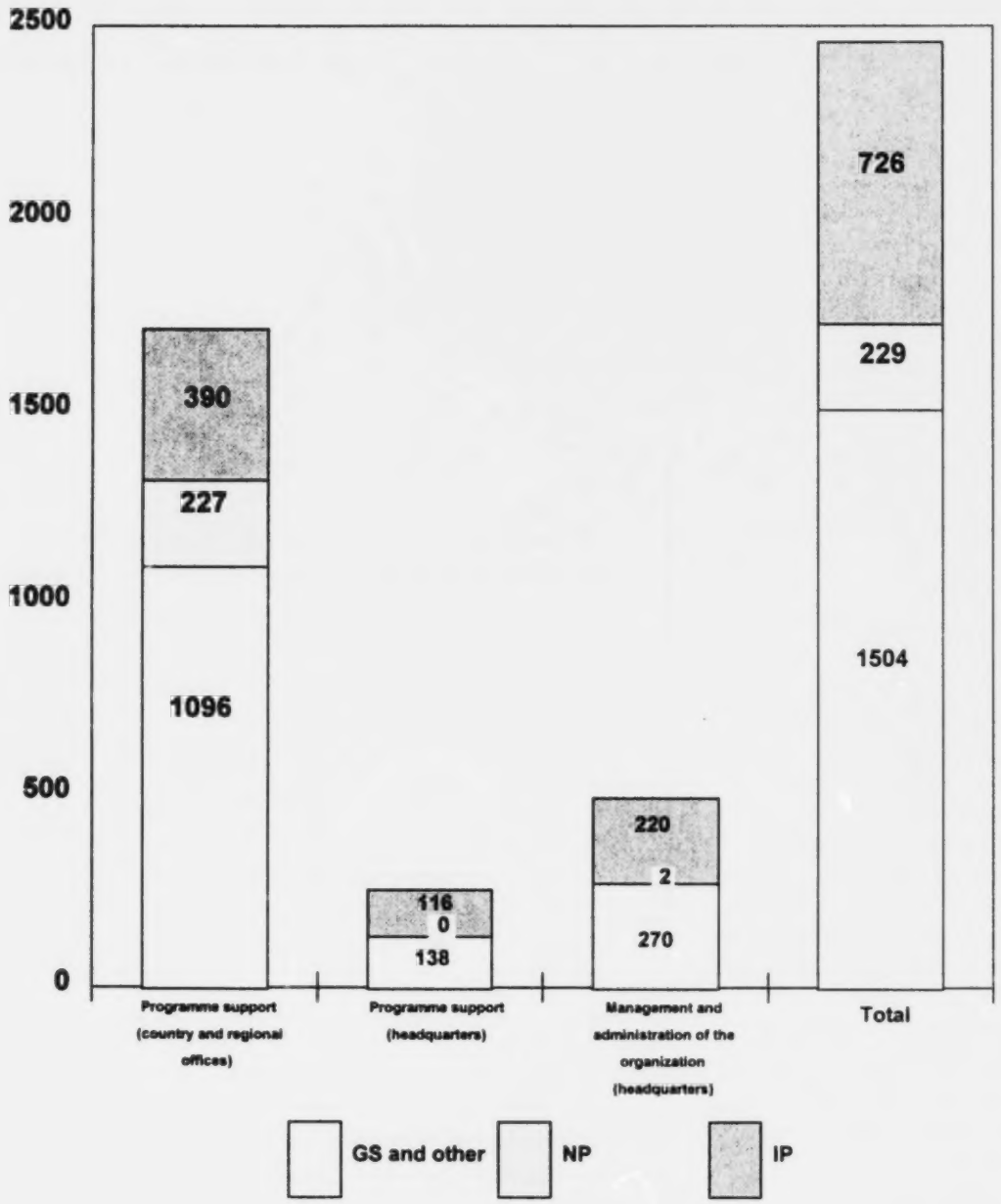
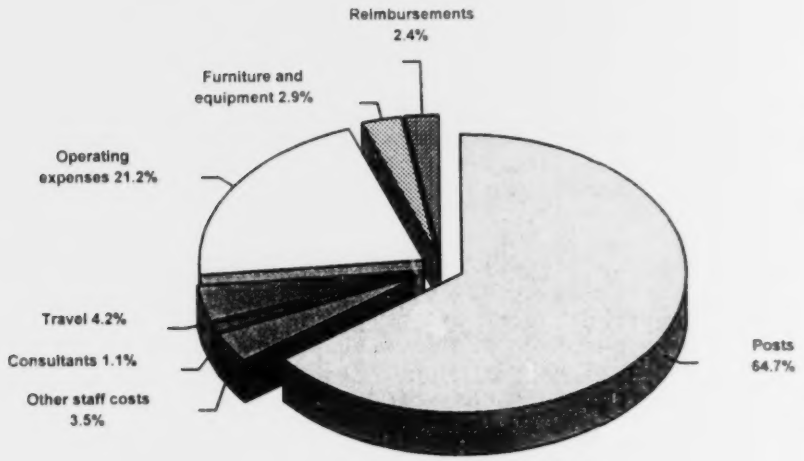


Figure F. Expenditures by category, 1998-1999



Other matters

Centrally budgeted resources

48. In summary table I, under each appropriation, there is a line for centrally budgeted resources for the following items, as these estimates are outside the control of individual offices:

(a) Under country and regional offices, the central resource reflects staff costs savings due to vacancy rates, amounts for the refund of taxes to international staff, separation indemnity costs, war risk insurance at hazardous duty stations and the training budget. The volume increase of $2.8 million includes separation indemnity as mentioned in paragraph 39 above. Under headquarters, the same items are prorated to programme support and management and administration. The volume increase against this line totalled $1.3 million in programme support and $4.4 million in management and administration at headquarters to make provisions for separation indemnity and also to cover the refund of taxes which was under-budgeted in 1996-1997;

(b) Under headquarters, the common operating costs in New York such as rent, United Nations reimbursement and telecommunications were prorated to the two appropriation lines of programme support and management and administration. These are not prorated further to the divisions.

Training and development

49. Included also in the staff costs is $6 million for training activities for the staff in the support budget at the same level as in 1996-1997. The priorities will continue to be in the following areas:

(a) Training in new systems and processes such as the Programme Manager System (PROMS) and CPMP/integrated budgeting training;

(b) Training at regional locations in human resources management and supply function;

(c) Development of capacities in the programme area with specific reference to child rights and to respond effectively to complex emergencies;

(d) Continuation of management training of office teams to improve team skills and work processes management, including control self-assessment approaches.

Publications

50. Most publications emanating from headquarters are produced in DOC. The priorities for the headquarters publication programme are set at the biannual meetings of the Publications Review Committee (PRC) which reviews the content of proposed publications and the intended audiences, and recommends the most appropriate format.

51. As in previous years, publications are funded from both the support budget and the programme budget. Publications that essentially contain information about UNICEF and its operations, such as the UNICEF Annual Report, supplementary funding proposals, and the Supply Division annual report, are funded from the support budget. The State of the World Children's report (SOWCR), The Progress of Nations (PON) and other publications which advocate for children's issues are funded from the programme budget.

52. For 1998-1999, the budgets for major publications produced by DOC will be 23 per cent less than for 1996-1997 as shown in table 9 below. The number of print-runs and distribution of publications produced at headquarters for 1997 is shown in summary table VII. The reduction is due partly to financial constraints and partly to greater selectivity and better targeting of publications through the PRC and increased use of electronic dissemination of documents. Reduced print-runs and in-house production also result in savings.

Table 9. Major publications produced by the Division of Communication

(In thousands of United States dollars)

Publication	1996-1997	1998-1999
The Progress of Nations	813	530
The State of the World's Children report	1 515	1 283
UNICEF at a Glance	44	20
UNICEF Annual Report	266	273
Facts and Figures	62	50
Advocacy booklets and brochures	690	436
Total	3 390	2 592

Reduction: 798.0
Percentage of reduction: 23.4 per cent

Information technology, information systems and information management

53. The establishment of a strong technology infrastructure and development and effective use of new integrated systems are the foundation and the enabling tools that will support and facilitate implementation of redefined roles, accountabilities and interrelationships among country, regional and headquarters offices. They will also enable UNICEF to carry out activities in advocacy, information-sharing and fund-raising. During 1998-1999, projected resource constraints force UNICEF to carefully choose and focus on the following priorities.

54. Information technology governance/organization. Without adequately knowledgeable and skilled staff, investments in information technology have a high risk of failure. This has a direct impact on programme delivery and effective management of resources. In 1997, the Office of IRM was upgraded to a division with a director at the D-2 level. In 1998-1999, eight posts at headquarters were reclassified at level-2 and level-3 from the General Service category, and 20 posts were established in the field, recognizing the skill requirements needed to maintain current information technology operations and contribute to the successful implementation and future maintenance of new application systems. New leadership, coupled with an information technology governance system established in 1997, highlights for the entire organization the priority given to supporting information technology activities that have a direct link to the ability of all offices to carry out their responsibilities efficiently and effectively.

55. New systems. There are three major systems being implemented in 1998-1999 that will replace all of the organization's financial and logistics systems (about 100) currently being used at New York headquarters, Copenhagen and GCO, New York and Geneva, and the field. These three systems will be integrated and will provide the whole organization with state-of-the art technology and a common database by which UNICEF can more effectively manage and be accountable for the use of human, financial and physical resources. The costs for the three systems from the support budget are indicated in table 10 below:

(a) PROMS is the field office planning, budgeting and expenditure system. It is now running in test offices and will be introduced incrementally in all offices during 1998. In 1999, the emphasis will be on supporting all offices in learning how to maintain and use the system, including the new business processes it demands. PROMS will provide managers at all locations with accurate and timely information for decision-making, reporting, monitoring and oversight. Supplementary funds of $4 million are sought for increased training and support to field office staff in planning and using PROMS;

(b) FLS is under way using the Systems, Applications and Products in Data Processing financial package. The first prototype of configuration for UNICEF requirements was completed in October 1997. The final prototype will be completed by April 1998 followed by testing, fine-tuning and data cleansing. This system will service headquarters financial management needs, all the commercial aspects of GCO, as well as the procurement system for the Supply Division;

(c) The Integrated Management Information System (IMIS)/human resources is a portion of the United Nations system for human resources management and payroll. The first release of IMIS has been installed. UNICEF funded many enhancements to this system to bring functionality to a high standard. Most of these enhancements have now been incorporated into the base system and are now available to other United Nations organizations. During 1998-1999, the remaining functions of entitlement and payroll will be implemented and then interfaced with the central FLS.

56. Information technology initiatives exploiting the Internet:

(a) Programme Knowledge Network (PKN). Using the Internet, this will support one of the newly defined accountabilities of the Programme Group in knowledge generation and management. UNICEF has valuable information about the situation of children and women, and about strategies to address key problems. This includes studies, statistics, evaluations, technical papers and research findings. This information, traditionally held in libraries and bookshelves all over the world, will have, via the use of technology, the capability to be made available to all staff and partners globally in a cost-effective manner. During 1998-1999, funding constraints will support only the development and testing of a prototype system. UNICEF seeks additional supplementary funds for technical infrastructure enhancements to bring the prototype to scale for use in all country, regional and headquarters locations. An amount of $6 million is included for this purpose (see chapter IV);

(b) Global advocacy using the World Wide Web is also dependent on effective Internet management. DOC is responsible for the development of policy and guidelines on the content and use of the Web by other UNICEF offices and National Committees for UNICEF and for the collection, conversion and dissemination of information on UNICEF through the Web. The UNICEF Web Page now receives an average of one million visitors per month. All major publications such as SOWCR, PON, press releases and basic information are offered on line. The site also hosts interactive views via Voices of Youth, International Children's Day of Broadcasting and fund-raising. Given the advocacy potential of the Web for cost-efficient opportunities to reach a young, literate, interested population, supplementary funding is sought to accelerate and maximize the use of the Web by increasing capacity within DOC in Web page design and editorial areas to provide increased assistance to offices and National Committees.

57. Global connectivity and information technology infrastructure will have the greatest and most fundamental impact on the way UNICEF operates, how staff time is used and how UNICEF is managed. It will provide the entire organization with the capability to install and deploy new or enhanced processes in an economical and secure way with the associated systems of communication and data transfer. To achieve the potential benefits, there must be an adequate information technology infrastructure which includes service provider contracts, staff capacity, hardware, software, help desks, networks and data hubs.

58. Two key components of the information technology infrastructure are the networks for communication (part of the global connectivity and including Intranet and Internet) and the databases and hubs for data consolidation and storage. The communication networks have two dimensions: information that is "mission critical", for which there must be a high level of security and reliability; and the quasi-public information. A Wide Area Network (WAN) for mission critical data (e.g., electronic mail and PROMS financial data) will be established using secured lease lines with point-to-point delivery. Radio and satellite links to the WAN will be used for emergency situations.

59. Within the global connectivity framework an initiative is now under way in coordination with other United Nations agencies to outsource an element of the telecommunications component of data communications transport to a private sector company. Due to resource constraints, UNICEF will phase in as many countries as possible using existing network capacity in each office, but the maximization of this opportunity will have to be delayed until the next biennium unless supplementary funds are received to upgrade the technical infrastructure at all locations. This also applies to the Internet and a UNICEF Intranet that will be used to support the PKN, advocacy and fund-raising activities, access to the supply catalogue, rules, regulations, policies and procedures. A supplementary funding proposal of $5 million is included for this purpose (see chapter IV).

60. The corporate hub will accommodate the compilation and secure storage of data from all systems, and the linkage of the data to the various networks. Each office will need a corresponding capacity to store data and networks to link to the communications options. The regional offices will have an important role to play as local hubs as well as providing technical advice and support to country offices.

61. In summary, UNICEF regular resources will provide for the completion and integration of the three major systems, continued support to legacy systems until mid-1999 and some infrastructure improvements. The ability to further exploit the opportunities and innovations in the PKN, global advocacy, Internet/Extranet/Intranet and PROMS initiatives are hampered by the lack of available funds in 1998-1999. Therefore, supplementary funds will be sought for the acceleration, deployment and enhancements of UNICEF global connectivity and information technology infrastructure as described above.

Table 10. Estimated distribution of electronic data-processing requirements, 1998-1999

(In thousands of United States dollars)

Purpose	Staff costs a/	Contractual services: Systems devel.	Contractual services: Maint. services	Acquis. hard., soft., supplies b/	Other	Total
I. RECURRENT MAINTENANCE						
1996-1997	6,937.8	4,062.5	6,879.1	8,889.6	392.1	27,161.1
1998-1999	8,164.7	0.0	7,148.1	10,152.5	816.3	26,281.6
II. DEVELOPMENT OF MAJOR SYSTEMS a/						
Integrated Management Information System (Human resources module)						
1996-1997	654.0	1,808.8	302.0	866.4	152.8	3,784.0
1998-1999	1,020.2	645.0	66.0	546.4	5.0	2,282.6
Programme Manager System						
1996-1997	1,395.4	1,798.8	343.5	694.5	1,594.5	5,826.7
1998-1999	2,231.1	1,330.0	0.0	539.0	1,135.5	5,235.6
Financial and Logistics System (net of GCO) c/						
1996-1997	368.6	3,000.3	137.0	625.5	725.2	4,856.6
1998-1999	617.1	2,778.9	834.5	1,231.6	924.6	6,386.7
Subtotal: II. Development of systems						
1996-1997	2,418.0	6,607.9	782.5	2,186.4	2,472.5	14,467.3
1998-1999	3,868.4	4,753.9	900.5	2,317.0	2,065.1	13,904.9
III. GRAND TOTAL (net of GCO)						
1996-1997	9,355.8	10,670.4	7,661.6	11,076.0	2,864.6	41,628.4
1998-1999	12,033.1	4,753.9	8,048.6	12,469.5	2,881.4	40,186.5

a/ Staff costs under each project include costs of IRM staff working on the projects, but exclude staff costs from functional divisions.

b/ Including acquisition, hardware, software and supplies purchased globally.

c/ GCO share in the FLS is $760,000 in 1996-1997 and $1,925,000 in 1998-1999, plus the cost of one systems analyst.

B. Programme support

Overall

62. As can be seen from table 1, programme support costs account for two thirds of the support budget. The percentage of volume reduction in programme support (2.1 per cent) is less than in management and administration (3.8 per cent). From table 3, it can be seen that out of the total resources in 1998-1999, 73.9 per cent will be spent in programmes, 17.6 per cent in programme support and the remaining 8.5 per cent in management and administration. Table 2 shows that 80 per cent of the posts in the support budget in 1998-1999 are in programme support. The overall effectiveness of UNICEF performance depends very much on the programme support structure.

63. The summary of the budget proposal for each region is presented in summary table I. All regions have efficiency gains resulting in a volume reduction of between 1 to 4 per cent except for Central and Eastern Europe, CIS and the Baltic States region and the Americas and the Caribbean region. For these two regions, a number of offices are given support budgets for the first time, the net effect of which is reflected in the volume increase. Table 12 also shows the total resources, including programmes, that UNICEF has spent in each region. Total resources for programme support and programmes in sub-Saharan Africa are projected to increase from $620 million in 1996-1997 to $641 million in 1998-1999. The share of sub-Saharan Africa in the regular resources for programmes is projected to increase from 35.6 per cent in the 1996-1997 biennium to 36.3 per cent in the 1998-1999 biennium, and will continue to increase in percentage share, in line with Executive Board decision 1997/18 regarding the modified system for the allocation of general resources.

Country and regional offices

64. For the budget review of the seven regional offices, a zero-based approach was used and resources were reallocated within the existing resources pool in the region. The review determined the minimum requirements necessary for the regional offices to perform their redefined and common set of functions and accountabilities, including those proposed for transfer from headquarters, i.e., review of country programme budgets and CPMPs, and clearance of CPRs for Executive Board approval. A comprehensive outline of the realigned responsibilities of the regional offices was issued at the third regular session of 1997 of the Executive Board as part of the strategy outline for the 1998-1999 budget (E/ICEF/1997/CRP.28).

65. To enable the regional offices to carry out their core regional functions and accountabilities efficiently and effectively, this biennial support budget proposes a realignment of their organizational structures. To achieve economies of scale, common operations units are proposed for establishment to serve country offices at the same location as the regional office. Programme support functions will be strengthened through greater use of technical networks among country offices.

66. As a result of the budget review for 1998-1999, a total of 283 regular resource posts (103 international Professional, 22 national Professional and 158 General Service) are proposed for the seven regional offices (see table 2 and para. 20 above). This represents a total decrease of 18 regular resource posts for the regional offices from the approved 1997 support budget. The reduction is due partly to the transfer of 13 posts to common service units (CSUs) managed by country offices. Explanations for the specific net increase or decrease in posts within each regional office, and within each region as a whole, are provided below.

67. As shown in table 1, and in table 11 below, for 1998-1999, the total support budget for the seven regional offices is $54.2 million, reflecting a volume reduction of $0.7 million and a cost increase of $2.2 million, totalling a $1.5 million increase over the 1996-1997 approved budget. The percentage of the support budget allocated to regional offices increased from 10 per cent in 1996-1997 to 10.3 per cent in 1998-1999 (see table 1).

Table 11. Proposed gross budget estimates by region

(In thousands of United States dollars)

Appropriation line/ organizational unit	1996-1997 approved appropriations	Volume		Cost		1998-1999 estimates
		Amount	%	Amount	%	
Programme support						
Regional offices						
West and Central Africa region	11,087.6	(656.8)	(5.9)	(652.6)	(5.9)	9,778.2
Eastern and Southern Africa region	9,509.0	(999.9)	(10.5)	1,085.4	11.4	9,594.5
The Americas and the Caribbean region	7,402.3	(428.1)	(5.8)	996.7	13.5	7,970.9
East Asia and the Pacific region	7,957.3	(379.5)	(4.8)	382.3	4.8	7,960.1
South Asia region	4,246.2	264.3	6.2	549.1	12.9	5,059.6
Middle East and North Africa region	6,230.0	697.3	11.2	4.1	0.1	6,931.4
CEE, CIS and the Baltic States region	6,124.0	446.2	7.3	(334.0)	(5.5)	6,236.2
Regional offices: Central a/	223.6	343.7	153.7	151.1	67.6	718.4
Total	52,780.0	(712.8)	(1.4)	2,182.1	4.1	54,249.3

a/ Includes vacancy factor, separation indemnity, refund of taxes and training budget.

West and Central Africa region

68. The West and Central Africa region comprises 19 country and four sub-liaison offices. The prospects for children in the region have not improved substantially during recent years. Conditions vary, and while progress has been made for some children, the situation for many others has actually deteriorated. The good news is that economic growth is returning to the region, but in spite of the increase in gross national product (GNP) per capita, the absolute number of people living below the poverty line is still increasing. All countries, except Cape Verde and Gabon, now fall in the category of low income countries.

69. For the past two bienniums, the key strategy through which UNICEF has been responding to the priority for Africa has been to strengthen its operational effectiveness in the region. Support to country priorities is still the backbone of UNICEF cooperation, but UNICEF country programmes are evolving rapidly from a focus on mid-decade goals to a broader approach aimed at clearly identified national priorities linked to the World Summit goals for the year 2000.

70. Due to diversity in the region, there are differences in the way UNICEF carries out its functions and the type of operational strategies utilized differ from one part of the region to the other. In addition, the shift from service delivery to a greater emphasis on policy/strategy issues implies that the profile of UNICEF staff has to change over the next few years, although service delivery is still the programme thrust in some countries. Core capacities in social and economic analysis (such as the implementation of the 20/20 initiative) and sectoral policy development are projected to play an increasingly important role. The focus on capacity-building in these areas will require a different staff profile in terms of skills and experience. There will also be an increased emphasis on integrated sector-wide approaches by donors.

71. Collaboration within the United Nations system at country level is being strengthened continuously throughout the region. United Nations organizations share premises in several countries (Burkina Faso, Cape Verde and Ghana) and preparations are under way in Guinea-Bissau. UNDAF is being developed and tested in three countries in the region: Ghana, Mali and Senegal.

72. West and Central Africa Regional Office. The regional office will be responsible for the core functions of providing technical advisory services, oversight and operational support to the country offices. To effectively carry out other functions that are decentralized, some cost-effective regional strategies will be implemented. For instance, the regional strategy for support to country programmes is based on maximum utilization of human and institutional resources available in the region, while that for the oversight function will be effected by sharing basic information on key management processes in the region.

73. By using the available resources in the region such as the technical support networks and working groups, a zero-growth approach with regard to the number of posts was proposed by the regional office for the 1998-1999 biennium. As in other regional offices, a common operations unit was established which will be managed by the country office at the same location, thus allowing more time for operations oversight functions.

74. Collaboration with the Eastern and Southern Africa Regional Office (ESARO) in addition to EMOPS is very important in the area of emergency intervention. Since ESARO has a comparative advantage for emergency preparedness, support is sought when and where it is needed in the region.

75. The proposed support budget of $9,778,200 is less than the 1996-1997 biennium by about $1.3 million due to a reduction in operating costs and exchange rate gain. Some of the savings will be used to increase the advocacy and programme development budget proposed in chapter IV. The number of posts remain the same at 19 international Professional, 2 national Professional and 33 General Service.

76. West and Central Africa region: country offices. All new country programme budgets were prepared based on an optimistic funding outlook and the possibility of raising supplementary funds. Therefore, the staffing structure was readjusted to be in tandem with the new programme structure which will adequately support programme activities. IRM functions are being strengthened by establishing IRM posts in a few countries. At the same time, the role of secretaries has evolved into that of programme assistants.

77. A number of core post changes are included in the biennial budget which affect all category of posts. Some of the offsetting adjustments are necessary to strengthen the operations in the country offices, particularly in the IRM area (Benin, Cameroon, Ghana, Guinea and Mauritania). Other post adjustments were made to properly align the functions of the posts with the funding (Chad, Guinea, Guinea-Bissau, Mali, Senegal and Sierra Leone).

78. Furthermore, in order to better respond to programme needs given the social unrest in the Great Lakes area, a separate and autonomous programme was established in 1997 to be supported by five international Professional project posts stationed in Goma, Democratic Republic of Congo, with funding through the emergency and flash appeals.

79. The proposed total support budget for the entire region as shown in summary table I is $54.7 million, which is $3 million, or 5.3 per cent less than the 1996-1997 approved budget, with a 2.6 per cent volume reduction mostly in operating costs, and 2.7 per cent savings due to exchange rate gains. Even though staff costs increased in some countries, the gain from exchange rate fluctuations, coupled with the strategy of reducing operating costs, helped to absorb the costs. Overall, there is an increase of one international Professional post and a reduction of two national Professional posts. The resulting net change in the number of posts and costs in the West and Central

Africa region, including the regional office, is shown in table 8 and summary table I, respectively. As shown in table 12, programme resources for this region are projected to increase.

Eastern and Southern Africa region

80. The region contains some 270 million people and has a widely varied range of countries. These include a small number of "medium human development" countries, all with small populations, and a much larger number of "low/very low human development" countries, including almost all the larger population States of the region. Although South Africa presents an anomaly, with a relatively high per capita income, it has extremely wide internal disparities. Regional economic performance has been poor for a long time, but it has improved slightly overall since 1994 with better management and the advent of peace in formerly war-torn Ethiopia and apartheid South Africa.

81. Several countries are affected by long-running instability and conflict-induced emergencies (Burundi, Rwanda and Somalia) or remain highly vulnerable to renewed emergencies (e.g. Angola), inflows of refugees (Kenya and the United Republic of Tanzania) and drought (most of the region). The children and women in the region face deep structural development challenges, including complex emergencies, while many of its societies provide new opportunities for strategic planning and partnership.

82. Resources allocated to the region are the largest among UNICEF regions, with 20.5 per cent of the total staff and about 20.6 per cent of projected total available resources for the 1998-1999 biennium.

83. The preparation of UNDAF is in progress in three countries in the region (Madagascar, Malawi and Mozambique) and, with the full participation of UNICEF, has been initiated in several others. Common country assessments (CCAs) are under development in countries such as Kenya and Madagascar, while United Nations country strategy notes are available as a basis for further development in Botswana and Kenya. Preparatory planning for CCAs and UNDAF is taking place among the United Nations country teams in much of the rest of the region, and these exercises are expected to accelerate in the first part of 1998. The UNICEF country programme preparation (CPP) process, including the detailed situation analysis of children and women, will provide substantive inputs to these joint planning initiatives.

84. Eastern and Southern Africa Regional Office. The role and functions of the regional office in the area of oversight and technical support to country offices, regional initiatives and strategic analysis, capacity-building and collaboration with counterparts, and knowledge networking and dissemination have been defined over the last two years by the regional management team (RMT). Greater emphasis is being placed on cost-effectiveness through the use of expertise in the region, networking and team efforts.

85. To strengthen the capacity of ESARO to undertake the new functions of quality assurance, management oversight, including clearance of CPRs and the integrated budget, monitoring of country office budgets and implementation of PROMS, an international Professional post is proposed to support the RMT and other committees in carrying out these functions. In response to new challenges, a paper on typologies for management of country offices in the Eastern and Southern Africa region is being drafted. Furthermore, a management oversight system, including key indicators to be monitored, has been developed and will be implemented after RMT approval in November 1997.

86. In addition, for cost-saving purposes and for economies of scale, all operational functions are consolidated and will be managed by the country office, while the IRM and supply functions will be managed by the regional office. Consequently, 11 posts responsible for administrative, financial and personnel functions in the regional office are deployed to the country office at the same location.

87. To take advantage of the relative economic advancement of South Africa, a Procurement Unit, based in Pretoria, is proposed for the 1998-1999 biennium. The functions will be carried out by an international Professional post loaned from Supply Division, Copenhagen. One national Professional post and one General Service post will be established.

88. There is a net reduction of 13 posts (2 national Professional and 11 General Service); the General Service posts are deployed to the CSU in the country office. The proposed budget for 1998-1999 is $9.6 million, an increase of $85,500 from the 1996-1997 approved budget.

89. Eastern and Southern Africa region: country offices. Various factors are taken into consideration in arriving at the staffing structure and the costs for the country offices in this region. Due to the diversity among countries, such as funding availability, change in programme thrusts, implementation of MEP and consolidation of common operation services, the staffing structure for some country offices are increased, while that of others decreased.

90. In response to the changing role of UNICEF and shifting of programme emphasis from emergency towards rehabilitation and development, coupled with dwindling supplementary funding, a few offices had to readjust the size and the scope of the country programme. With the introduction of the CPMP process, plus the integrated budget approach, the resources required to implement the programmes are determined.

91. In Ethiopia, it was agreed with the Government to close some sub-offices due to the changing role of UNICEF, which is not expected to affect programme quality or delivery. In other cases such as Mozambique and the United Republic of Tanzania, through process redesign and internal reorganization, the staffing structure was realigned to provide efficiency gains in the future.

92. It is proposed to allocate a support budget in the amount of $484,005 for the first time to Sao Tome and Principe in the 1998-1999 biennium. Consequently, the level-4 post of project officer and the operating expenses for the office will be charged to the support budget with effect from 1998.

93. Overall, for the Eastern and Southern Africa region, there is a net reduction of 17 posts (7 national Professional and 10 General Service). Overall, there is a net increase of $0.6 million, or 1.2 per cent over the 1996-1997 biennium, particularly due to increases in staff costs in some countries. The resulting net change in the number of posts and costs in the Eastern and Southern Africa region, including the regional office, is shown in table 8 and summary table I, respectively. As shown in table 12, the programme resources for this region are projected to increase in 1998-1999.

The Americas and the Caribbean region

94. Economic growth in the region was a modest 3 per cent in 1996, well short of the 6 to 7 per cent the World Bank estimates countries will need over the years to produce a significant reduction in poverty. Economic belt-tightening and structural adjustments continue, although recent efforts are being made to recuperate previous low levels of funding for social services that eroded hard-won gains in child welfare in the 1980s and early 1990s. Latin America has the highest and growing income disparity of all regions in the world, an issue which threatens to undermine whatever benefits the liberalization of the economies has brought about.

95. Implementation in the region of a child rights approach to programming has meant going beyond the issues of child survival to include the aspects of protection, development and participation of all children. Advocacy forms the backbone of the child rights approach.

96. The Americas and the Caribbean Regional Office. The mission of the regional office is to provide support to 24 offices in the region by enhancing opportunities to advocate for child and women's rights at the regional level, providing a network of internal and external technical resources to improve the exchange of innovative experiences and of lessons learned, providing policy analysis and support, and improving management practices.

97. The proposed organizational structure for TACRO comprises two major groups to meet its core regional responsibilities of providing support to 24 offices in the region. The first, under the direct supervision of the regional director, includes the Programme and Policy Development Unit, the Communications Unit and Resource Mobilization Unit and the secretariat to the RMT. The second, under the direct supervision of the deputy regional director, includes the Regional Planning and Reporting Unit, Operations Unit, Human Resources Unit and a new Information Management Unit.

98. TACRO and the country office at the same location (Santa Fé de Bogotá, Colombia) have finalized an exercise to streamline common services whereby the latter will manage all local operations services. In turn, the regional office will manage IRM functions and telecommunications.

99. Particular attention will be paid to supporting the United Nations reform process, especially regarding the preparation of UNDAF in pilot countries, the pursuit of common premises and common services, and the strengthening of the resident coordinator system. Alliances with non-governmental organizations (NGOs) and the private sector will be pursued vigorously. Priorities are also given to strengthen regional information management.

100. Overall, the regional office structure for 1998-1999 is proposed to have a total of 35 regular resource posts (12 international Professional, 5 national Professional and 18 General Service). This represents a net decrease of four regular resource posts from the 1997 approved support budget.

101. The proposed support budget for the regional office for 1998-1999 is $7.9 million, which is $568,600, or 7.6 per cent above the 1996-1997 support budget. It should be noted that approximately $1.0 million of this support budget amount is to cover inflation.

102. The Americas and the Caribbean region: country offices. Countries that will receive a new support budget are Belize, Costa Rica, Cuba, Guyana, Panama and Venezuela. The new support budgets will cover six level-4 posts of assistant representative, 4 national Professional posts of operations officer and 12 General Service posts for the 6 offices. All 22 posts were previously funded by the programme budget. The total amount is $3.8 million for the biennium 1998-1999.

103. The total budget for 1998-1999 for the regional office and country offices is $42.9 million, or an increase of $3.6 million, which is 9 per cent above the 1996-1997 appropriations, largely due to the inflation rates. The total number of posts funded by the support budget is 236, out of which there are 48 international Professional, 50 national Professional and 138 General Service. This represents a net increase of 4 international Professional and 5 national Professional posts and a reduction of 10 General Service posts. The increase in posts is due to the conversion of posts from the programme budget to the support budget for countries with a new support budget.

East Asia and the Pacific region

104. The East Asia and Pacific region of UNICEF covers 13 offices. Since 1965, the region has been enjoying the fastest economic growth among other regions of the world. The percentage of people in absolute poverty fell sharply. Life expectancy at birth increased substantially and mortality among infants and young children dropped significantly.

105. However, rapid development has created discrepancies among countries and widened the gap between rich and poor within each country. For instance, per capita GNP in the poorest of the region's programming countries, Cambodia, is 17 times less than that of the richest, Malaysia. The economic success has also yielded a new set of problems. A serious and growing threat of HIV/AIDS, rapid environmental degradation and breakdown of physical infrastructure, increasing unemployment and rising crime rates and social pathologies, such as the abuse, neglect and exploitation of children are some examples.

106. In many countries throughout the region, the nature of programme emphasis has been shifted gradually from survival and development to child protection. UNICEF has successfully increased the number and types of partnership, and effectively promoted the Convention on the Rights of the Child and other major goals for children through advocacy and social mobilization efforts.

107. East Asia and the Pacific Regional Office. The role and functions of the regional office are evolving rapidly as a part of MEP. Monitoring and oversight of programme implementation and office management, including budget preparations and revisions, are added responsibilities. Intensive and expanded technical support to each country office in its CPP and mid-term review (MTR) have also increased the workload of the regional office. However, the office organized its work plan through a systematic approach, in collaboration with the RMT and senior members in the office and the region. The responsibilities of international Professional posts in the regional office have expanded. The regional office will also assume a supervisory role for the Democratic People's Republic of Korea country office in 1998, which is currently under the supervision of the Thailand country office.

108. Bearing in mind the above changes, the regional office underwent a full review of the existing structure to ensure continuous quality service to the country offices. A special focus has been given to strengthen planning, monitoring and information management, including the development of the knowledge information and documentation centre. It is also proposed that a CSU be created and administered under the regional office to provide all operational services to the regional and country offices at the same location. As a result, there is a net reduction of eight regular resource posts, including five national Professional posts, from the approved 1997 support budget.

109. The proposed support budget of $8.0 million for the regional office is about the same level as the 1996-1997 approved budget. The number of posts are reduced from 54 in 1996-1997 to 46 in 1998-1999.

110. East Asia and the Pacific region: country offices. The new regionalization approach has contributed to building a stronger sense of ownership of the process among the country offices in the region which, in turn, created better coordination to achieve more with less human and financial resources under the global and regional financial constraints.

111. Despite increasing staff costs due to salary increases and other operational costs, the region has saved $1.6 million (excluding the Democratic People's Republic of Korea) as a whole against the 1996-1997 support budget. Some part of the savings will be channelled to establish a core presence in the Democratic People's Republic of Korea in order to bolster and operate the rapidly expanding emergency operations more effectively. It requests an additional $634,000 for three new posts (two international Professional and one international General Service) and minimum operational costs.

112. Saving efforts have been made mainly through carrying out a thorough and participatory CPMP process and reviewing the evolving programme priorities and requirements. The realignment exercises have been made accordingly. This includes establishment of a CSU, consolidation of operations functions of the regional and country offices in Thailand, better use of experienced United

Nations Volunteers for programme implementation and service delivery, and merging programme sections to achieve better coordination and operation. As a result, there is a net reduction of 29 posts in the region.

113. The proposed support budget for regional and country offices in the East Asia and the Pacific region for 1998-1999 is $33.5 million, which is 2.5 per cent less than the 1996-1997 approved budget due to the region-wide cost-saving efforts mentioned earlier.

South Asia region

114. The South Asia region of UNICEF consists of Afghanistan and seven South Asian Association for Regional Cooperation (SAARC) countries. The region is one of the poorest, with the lowest per capita income and most deprived regions in the world, with nearly 40 per cent of the world's poor. It consists of 25 per cent of the world's children and adds 40 million newborns each year. One half of the children in the region are malnourished, and more children are without basic education than in other regions, resulting in the region with the highest illiteracy rate.

115. South Asia Regional Office. For the 1998-1999 biennium, several strategies have been identified to achieve main objectives planned for this regional office through collaboration and coordination of all the countries in the region. It reflects the commitments addressed in the UNICEF Mission Statement. Establishment of the information and knowledge database on the situation of children and women through a region-wide network is one of the key activities.

116. The regional office fully effects the concepts of decentralization and regionalization. In order to cover large country offices with minimum human resources, the regional office has identified human resources available within the region through efficient coordination and makes the best use of available resources to support each other. However, this regional office, which is currently the smallest of the regional offices in terms of the budgetary allocations, proposes an additional two international Professional posts, one level-4 post of IRM officer and one level-3 post of personnel officer which will serve both the regional and country offices in Nepal, as well as two General Service posts.

117. The proposed support budget of $5.0 million is over the 1996-1997 approved budget by $813,000. The number of posts increases from 27 in 1996-1997 to 31 in 1998-1999.

118. South Asia region: country offices. The emphasis of the region on decentralization as a whole is one of the strategies to ensure wider distribution of benefits to children. For instance, Bangladesh and India are deploying its human resources to the state offices, zone offices or even deeper into the country for effective programme delivery.

119. On the other hand, operational functions are consolidated or centralized for efficient management. As the information technologies develop rapidly and office automation prevails, some functions and responsibilities of staff also change accordingly. The effective motivation and mobilization of the important assets of UNICEF, i.e., the staff to adjust to the evolving work environment, human resources management becomes one of the priorities of the region which includes appropriate systematic training for career development.

120. As a whole, there is a total net reduction of 44 posts in the region (one international Professional, 16 national Professional and 27 General Service). This has been carried out through a systematic and participatory CPMP process since early 1996 in some offices, and others in 1997, in which the staffing structure was reorganized to correspond to the changing programme priorities and requirements.

121. The proposed total support budget of the region for 1998-1999 is $31.4 million, which is 2.5 per cent lower than the approved 1996-1997 support budget. All large offices in the region have carried out conscientious cost-saving efforts, particularly in their operating costs, despite the moderate increases in staff costs. The majority of savings, however, are due to the reduction of posts and better planning for some general operating costs which are reflected in volume reductions in general.

Middle East and North Africa region

122. The Middle East and North Africa (MENA) region of UNICEF covers 16 offices. All of the countries in the region share a common culture and, except for the Islamic Republic of Iran, share the Arabic language. This makes MENA a homogenous region with strong cultural ties, a common heritage and established social and political institutions.

123. The economies of most countries have remained vulnerable to internal and external factors. Poverty is evidenced in Djibouti, the Sudan and Yemen. Algeria, Egypt and Morocco have adopted structural adjustment programmes that impact their social development. Some countries are directly affected by war or civil strife. The MENA region has the world's fastest growing population. However, Government spending on social services has, in general, either stagnated or declined.

124. Maternal and child health and the reduction of the maternal mortality rate (MMR), along with girls' education, are major regional priorities. Other priority areas for the MENA region are promotion of child rights, disparity and poverty reduction, promotion of healthy lifestyles among youth and adolescents, assistance to children affected by violence and armed conflicts, and basic services for children and women in urban areas. A more detailed description of these priorities can be found in paragraphs 216-219 below.

125. Middle East and North Africa Regional Office. To enable the MENA Regional Office to carry out its core regional functions of providing support to 16 offices in the region, the proposed configuration is the minimum needed to meet the new accountabilities. In addition to the secretariat for the office of the regional director, the regional office is structured into four sections: Programme Support Services and Emergency Section; Programme Planning Section; Communications Section; and Operations Section.

126. The deputy regional director's post has been modified to focus on providing oversight and programme support services for the country offices as are two new level-4 posts of programme officer. Two new national Professional posts will support budget monitoring, communications and fund-raising.

127. The regional office will manage the common services in the areas of supply, information technology/IRM, telecommunications and library for the regional and country office at the same location.

128. In summary, this proposal reflects an increase of two international Professional and two national Professional posts and a reduction of one General Service post. The regional office restructuring for 1998-1999 results in a total of 47 regular resource posts (13 international Professional, 8 national Professional and 26 General Service). This represents a net increase of three regular resource posts from the 1997 approved support budget.

129. The proposed support budget for the regional office for 1998-1999 of $6.9 million is $701,400 above the 1996-1997 support budget.

130. Middle East and North Africa region: country offices. The total amount of posts funded by the support budget has increased by one international Professional post and decreased by three national Professional and 18 General Service posts for the country offices in the region. Major savings were

achieved in Algeria, the Gulf Area Office (Saudi Arabia), Iraq, Jordan and the Sudan. Major restructuring was necessary in the Gulf Area Office (Saudi Arabia), Jordan and Lebanon. Starting in 1998, the major role of the Gulf Area Office will be in advocacy and fund-raising. The support budget for 1998-1999 will cover four posts (the post of representative and three General Service posts). Both Jordan and Lebanon had to adjust their programme and support staffing structure to respond to the increase in staffing costs and the projected programme levels.

131. Additional support budgets are given to the Sudan to cover the Operation Lifeline Sudan (OLS) Nairobi office, and West Bank and Gaza. The new support budget for OLS will fund the operating cost of the office of $700,000 for the biennium 1998-1999. West Bank and Gaza has a proposed new support budget of $1,336,000. It will fund the level-5 post of representative, one international Professional post of programme coordinator, one national Professional post of operations officer, three General Service posts and the operating costs of the office.

132. The total budget for 1998-1999 for the regional and country offices is $30.6 million, which is about the same level as the approved 1996-1997 budget. The total number of posts funded by the support budget is 173, out of which there are 41 international Professional, 27 national Professional and 105 General Service. This represents a net increase of 3 international Professional posts and a net reduction of one national Professional and 19 General Service posts.

Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States region

133. The main problems of children and women in Central Eastern Europe, CIS and the Baltic States region stem from the dramatic decline in living standards associated with the political, social and economic upheaval or transition undergone by the region since 1989. Household incomes in virtually all of the countries in the region have fallen substantially, and public finances are at a level that can no longer sustain basic services. The situation is further complicated by outbreaks of war, civil conflicts and natural disasters which have resulted in millions of refugees and displaced persons. UNICEF provides support to social sector service delivery, public policy and systems reform, strengthening of civil society and public institutions, and emergencies.

134. Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States Regional Office. The regional office was opened in Geneva in 1996 to support UNICEF country programmes in 16 country offices and to coordinate assistance to 11 other countries without a country-specific programme. In all 27 countries, UNICEF has a presence either in the form of a country office or a National Committee for UNICEF.

135. For the 11 countries without a specific country programme, a multi-country programme was approved by the Executive Board at its third regular session of 1997 (E/ICEF/1997/12/Rev.1, decision 1997/22) and funded from general resources in the amount of $6 million for 1998-1999. An additional supplementary funding component of $5 million was also approved.

136. The direct operational support to the special representative to Belarus, the Russian Federation and Ukraine and direct responsibility for programme development, implementation and advocacy in eight other countries (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland and Slovakia) are unique features of this regional office compared to other UNICEF regional offices. The Central Eastern Europe, CIS and the Baltic States Regional Office relies on the common services that are managed by the regional Office for Europe in Geneva.

137. To enable the regional office to perform its additional functions transferred from headquarters in the areas of CPR/CPMP review, clearance and progress monitoring and oversight, two level-4 programme officer posts are proposed to be established. One General Service post is proposed for deployment to the regional Office for Europe (Geneva) and one General Service post will be abolished.

138. As a result, the regional office structure for 1998-1999 is proposed to have a total of 17 regular resource posts (12 international Professional and 5 General Service). Therefore, the total number of posts remains the same as the previous biennium.

139. The proposed support budget for the regional office for 1998-1999 is $6,236,211, which is $112,200 above the 1996-1997 support budget. The increase in volume is offset by exchange rate gains.

140. Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States region: country offices. UNICEF has country programmes in 16 countries, with an additional 11 countries covered by a multi-country programme. The Central Eastern Europe, CIS and the Baltic States Regional Office, Belarus, the Russian Federation, Turkey and Ukraine are the only offices in the region with support budgets. Beginning in 1998, a support budget has been proposed for all countries where UNICEF has a country office representation.

141. The countries are organized in area groups to allow for the most direct technical and operational support at a comparatively low input in cost and human resources. Offices that are involved in this are those located in the republics of the former Yugoslavia, those in the Central Asia Republic and Kazakstan, and those in the Caucasus area (Armenia, Azerbaijan and Georgia). The groups of countries are headed by level-5 or level-6 representatives with area responsibilities.

142. In the country offices, a total of 21 international Professional, 13 national Professional and 54 General Service posts will be converted to the new support budget. There are three level-6 posts of area and/or special representative posts located, respectively, in Bosnia and Herzegovina, Kazakstan and the Russian Federation, and three level-5 posts of representative in Albania, Georgia and Romania that will be funded by the support budget. In the other 10 offices, the level-4 posts of assistant representatives are also moved to the support budget. The new support budgets amount to $12 million.

143. Two area offices have been or are being relocated. The area office for the republics of the former Yugoslavia was transferred from Zagreb, Croatia, to Sarajevo, Bosnia and Herzegovina, as of 1 August 1997. The Central Asia republics and Kazakstan area office that was previously located in Islamabad, Pakistan, is being relocated to Almaty, Kazakstan. In both cases, the move was taken as an opportunity to further streamline and consolidate, in a cost-effective way, both the area office and country office in the new location.

144. The total budget for 1998-1999 for the regional office and country offices is $20.7 million. This represents an increase by $12 million that corresponds to the amount given for offices with new support budgets. The total number of posts funded by the support budget for the entire region, including country offices and the regional office, is 122, out of which there are 37 international Professional, 17 national Professional and 68 General Service posts.

Headquarters: programme support budget

145. This section describes the budget proposals in the divisions at New York headquarters which are classified under programme support: Programme Division, EMOPS and the Emergency Section in the regional Office for Europe (Geneva), the Supply Division (Copenhagen and New York) and the budget for PROMS. The share

of the common general operating costs in New York prorated for the relevant divisions and the centrally budgeted resources such as vacancy rates, refund of income taxes, training and separation are also shown as one line in summary table I, item 2. In total, the programme support costs at headquarters are reduced from $99 million in the 1996-1997 approved budget to $82.4 million for 1998-1999, i.e., a 16.8 per cent reduction.

146. The reductions in programme support at headquarters are due mainly to restructuring of Programme Division, the reduction in the operating costs of the warehouse and exchange rate gains in the Supply Division (Copenhagen) and the decrease in the system development costs of PROMS.

Programme Division

147. The redefined roles of the programme group vis-à-vis regional offices and country offices in the country programme process has been described in detail in document E/ICEF/1997/CRP.15. This redefinition provides the guidance for the restructuring in Programme Division. As mentioned in chapter I, due to the financial projection and redefined accountability, a critical review was undertaken for all divisions at headquarters to explore the possibilities of reducing some activities to maximize cost savings. The activities which will be discontinued were also analysed based on the impact on the total effectiveness of the organization.

148. The restructuring mainly affects four areas: geographical sections; Office of the Director; the Intersectoral Cluster; and the Child Protection Section. The geographical sections, presently comprised of 41 posts (22 international Professional and 19 General Service), cover five geographic areas: Africa; the Americas and the Caribbean; Asia; MENA; and Central and Eastern Europe, CIS and the Baltic States. Each of these five sections is headed by a section chief and supported by a number of programme officers. In the new structure, there will be one geographical section headed by a post of chief and supported by 14 programme officer posts and 9 General Service posts, totalling 24 posts. The section will perform cross-regional geopolitical analyses and syntheses of programme experiences. There will continue to be close liaison with the regional and country offices. The total reduction as a result of this consolidation is seven international Professional and nine General Service posts.

149. In order to strengthen capacity for global programme coordination and development of global programme policy, frameworks, procedures and guidelines, the office of the director has been strengthened by the addition of two level-5 international Professional posts. This office will also provide a leadership role in development frameworks for a knowledge acquisition system and network. A leadership role is also provided for coordinating the work concerning UNDAF.

150. The existing Children in Especially Difficult Circumstances Unit will be upgraded to the Child Protection Section for a wider emphasis on child protection issues. There will be the addition of one D-1 post of chief of section partly offset by a level-5 post of senior adviser.

151. The existing four sections - Gender and Development, Programme Communication, NGO and Urban - will be consolidated into one programmatically coherent section to be renamed the Gender and Programme Partnership to deal with aspects of global programme partnership. The new section will have the following units under it: Gender and Development; Programme Communication and Social Mobilization; and Programme Partnership. No change in the number of posts is proposed.

152. In total, as shown in table 8, Programme Division will have 102 posts (61 international Professional and 41 General Service) in 1998-1999, i.e., a reduction of 20 posts (7 international Professional and 13 General Service) from the approved 1996-1997 budget. With the corresponding reduction in travel and

operating costs, the total support budget for Programme Division is reduced from $30.2 million from regular resources in 1996-1997 to $26.3 million in 1998-1999, i.e., a reduction of $3.9 million, or 12.8 per cent (see summary table I). In addition to the support budget, Programme Division will also manage a programme budget of $7.9 million in 1998-1999, i.e., 58.3 per cent of the programme budget at headquarters as proposed in chapter IV, where a more detailed description of the programme budget is given.

Office of Emergency Programmes

153. The role of EMOPS was described in document E/ICEF/1997/CRP.15. This is a small office comprised of 20 posts (10 international Professional and 10 General Service). In the proposed budget, the number will remain the same, but with a different composition of posts. A new D-1 post will be seconded to the new Office of the Emergency Relief Coordinator. The two level-4 posts previously seconded to the United Nations Department of Humanitarian Affairs (Geneva) will be abolished. The level-5 post of operations officer will also be abolished effective October 1998. The post of security officer with support staff will be transferred to this office from DHR. As a result, the support budget for this office for 1998-1999 is only increased by $139,000, or 2.7 per cent as compared to the 1996-1997 approved budget.

154. In addition to EMOPS at New York headquarters, there is also an Emergency Section at the regional Office for Europe (Geneva), presently comprised of five posts. The work plan and priorities of this section in Geneva is developed and implemented as an integral part of the overall activities of EMOPS.

155. As included in chapter IV of the programme budget, EMOPS will manage a programme budget of $1,395,000 for 1998-1999 from regular resources and is also proposing supplementary funding of $6,671,000 subject to the availability of specific-purpose contributions. These programme budgets will enable UNICEF to ensure the well-being of children who require special protection and care through preventive actions, preparedness, rehabilitation and recovery. The budget will also be used for improved emergency management and operations systems and increased support for coordination within the United Nations humanitarian system. Specifically, three types of activities are planned:

(a) To develop strategic planning and implementation capacity in major policy areas highlighted in the Executive Board policy paper, the Anti-War Agenda and the Machel Report;

(b) To ensure rapid and effective institutional support for emergency country field offices in the fields of information management, security, operations (administration, finance and personnel), communications and logistics;

(c) To enhance the role of UNICEF as a lead advocate for children and as a competent, professional partner in humanitarian action, and to ensure effective representation of UNICEF within the humanitarian community.

Supply Division

156. The reorganization of Supply Division (Copenhagen and New York) has been described in detail in documents E/ICEF/1997/CRP.9 and Corr.1 and E/ICEF/1997/CRP.15. The Supply Division is funded partly by the support budget and partly by income received from procurement service activities. The support budget for 1998-1999 will be $32 million, i.e., $13.3 million or 29 per cent lower than the level approved in the 1996-1997 budget. Apart from $3.3 million in savings from exchange rate fluctuations, the remaining savings are partly from the reduction in the cost of packing materials and contract labour for the warehouse due to reduced throughput, and to the decrease of one-time activities in systems development. Similar amounts are reduced from the income recovered from the charge for the goods shipped from the warehouse. Hence, the net budget of the Supply Division for 1998-1999 compared to the budget for 1996-1997

reflects only the savings from exchange rate fluctuations. The budget funded from the income received from procurement service activities for 1998-1999 will be $7.2 million, i.e., $1.7 million below the estimated budget in 1996-1997 (see summary table IV-B). The total number of posts in 1998-1999 will be 127 from the support budget and 40 funded from income received for procurement service activities. This reflects a reduction of four posts from the 1996-1997 approved budget (see summary table III).

C. Management and administration of the organization

157. The budget for management and administration is proposed to be $172.7 million, an increase of $2.6 million from the approved 1996-1997 budget. This is the net result of a volume reduction of $6.5 million, or 3.8 per cent, and a cost increase of $9.1 million due to inflation (see table 1). The budget estimates for each division are shown in summary table I. Except for OIA and resources transferred from one office to another, all offices have some volume reduction.

158. The total number of posts in management and administration is reduced by 27 posts, from 519 in 1996-1997 to 492 in 1998-1999 (see table 2). The details for each of the divisions and offices are shown in table 8 and in summary table III. OIA will add one post of auditor to the team to increase audit coverage. To consolidate posts dealing with child rights, EPP will add two international Professional posts of officer on child rights transferred from the Office of United Nations Affairs and External Relations, one international Professional post of communication officer, child rights from DOC, and one international Professional post of officer for policy analysis from the Programme Funding Office and will abolish one vacant post. IRM has redesigned its workforce, taking into consideration the competency requirements to support the systems and manage the global communication network. This results in an addition of eight international Professional posts and a reduction of nine General Service posts.

159. Descriptions for all offices and divisions at headquarters are provided in the annex to document E/ICEF/1997/CRP.9 and Corr.1. The roles and responsibilities of EPP and OIA are explained in the progress report on oversight (E/ICEF/1997/AB/L.12). As mentioned in paragraph 42 above, in order to stay within the financial projections, all offices had to look for savings through work processes review, prioritization of activities and improvement in technology and systems.

Regional Office for Europe

160. In order for the regional Office for Europe to meet its core responsibilities in the region and to provide overall policy guidance to all National Committees, the proposed organizational structure for 1998-1999 is comprised of five sections in addition to the Office of the Director, the Emergency Section in Geneva, and the Brussels Office, as follows: Planning; Programme; Communication; IRM; and Operations.

161. The office restructuring for 1998-1999 results in a total of 52 regular resource posts (22 international Professional and 30 General Service). This represents a net reduction of 2 regular resource posts from the 1997 approved support budget.

162. The proposed support budget for 1998-1999 is $15.3 million, $3.7 million less than the approved 1996-1997 budget; $3.1 million of the reduction is due to exchange rate savings.

Table 12. Use of resources: estimated regional distribution of programmes and programme support

(In thousands of United States dollars)

	1996-1997						1998-1999					
	Regular resources amount	%	Other resources amount	%	Total resources amount	%	Regular resources amount	%	Other resources amount	%	Total resources amount	%
WEST AND CENTRAL AFRICA REGION												
A. Programmes	100,231.8		81,567.1		181,798.9		102,674.2		90,077.1		192,751.3	
B. Programme support												
Country offices	43,991.2		2,691.7		46,682.9		42,257.1		2,691.7		44,948.8	
Regional office	11,087.6		0.0		11,087.6		9,778.2		0.0		9,778.2	
Subtotal, Programme support	55,078.8		2,691.7		57,770.5		52,035.3		2,691.7		54,727.0	
Total, West and Central Africa region	155,310.6	14.0	84,258.8	11.0	239,569.4	12.8	154,709.5	14.2	92,768.8	11.3	247,478.3	13.0
EASTERN AND SOUTHERN AFRICA REGION												
A. Programmes	121,450.4		208,839.8		330,290.2		117,195.9		224,822.1		342,018.0	
B. Programme support												
Country offices	34,386.4		6,891.7		41,278.1		34,915.3		6,891.7		41,807.0	
Regional office	9,509.0		0.0		9,509.0		9,594.5		0.0		9,594.5	
Subtotal, Programme support	43,895.4		6,891.7		50,787.1		44,509.8		6,891.7		51,401.5	
Total, Eastern and Southern Africa region	165,345.8	14.9	215,731.5	28.2	381,077.3	20.4	161,705.7	14.9	231,713.8	28.2	393,419.5	20.6
THE AMERICAS AND THE CARIBBEAN REGION												
A. Programmes	55,375.5		114,185.0		169,560.5		50,849.4		120,637.1		171,486.5	
B. Programme support												
Country offices	28,035.4		3,768.1		31,803.5		31,199.6		3,768.1		34,967.7	
Regional office	7,402.3		0.0		7,402.3		7,970.9		0.0		7,970.9	
Subtotal, Programme support	35,437.7		3,768.1		39,205.8		39,170.5		3,768.1		42,938.6	
Total, Americas and the Caribbean region	90,813.2	8.2	117,953.1	15.4	208,766.3	11.2	90,019.9	8.3	124,405.2	15.2	214,425.1	11.2
EAST ASIA AND THE PACIFIC REGION												
A. Programmes	102,078.3		73,981.7		176,060.0		96,272.5		79,649.2		175,921.7	
B. Programme support												
Country offices	23,911.7		2,441.4		26,353.1		23,067.8		2,441.4		25,509.2	
Regional office	7,957.3		0.0		7,957.3		7,960.1		0.0		7,960.1	
Subtotal, Programme support	31,869.0		2,441.4		34,310.4		31,027.9		2,441.4		33,469.3	
Total, East Asia and the Pacific region	133,947.3	12.1	76,423.1	10.0	210,370.4	11.2	127,300.4	11.7	82,090.6	10.0	209,391.0	11.0
SOUTH ASIA REGION												
A. Programmes	144,751.2		98,158.5		242,909.7		145,261.2		105,696.2		250,957.4	
B. Programme support												
Country offices	24,772.2		3,239.2		28,011.4		23,137.2		3,239.2		26,376.4	
Regional office	4,246.2		0.0		4,246.2		5,059.6		0.0		5,059.6	
Subtotal, Programme support	29,018.4		3,239.2		32,257.6		28,196.8		3,239.2		31,436.0	
Total, South Asia region	173,769.6	15.7	101,397.7	13.3	275,167.3	14.7	173,458.0	16.0	108,935.5	13.3	282,393.4	14.8

Table 12. Use of resources: estimated regional distribution of programmes and programme support (continued)

(In thousands of United States dollars)

	1996-1997						1998-1999					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
	amount	%	amount	%	amount	%	amount	%	amount	%	amount	%
MIDDLE EAST AND NORTH AFRICA REGION												
A. Programmes	47 183.8		89 150.5		136 334.3		45 518.5		96 008.1		141 526.6	
B. Programme support												
Country offices	21 384.1		2 942.0		24 326.1		20 714.5		2 942.0		23 656.5	
Regional office	6 230.0		0.0		6 230.0		6 931.4		0.0		6 931.4	
Subtotal. Programme support	27 614.1		2 942.0		30 556.1		27 645.9		2 942.0		30 587.9	
Total. Middle East and North Africa region	74 797.9	6.8	92 092.5	12.1	166 890.4	8.9	73 164.4	6.7	98 950.1	12.1	172 114.5	9.0
CEE. CIS and the BALTIC STATES REGION												
A. Programmes	34 939.9		58 983.7		93 923.6		31 849.7		63 517.7		95 367.4	
B. Programme support												
Country offices	576.4		1 946.5		2 522.9		12 528.6		1 946.5		14 475.1	
Regional office	6 124.0		0.0		6 124.0		6 236.2		0.0		6 236.2	
Subtotal. Programme support	6 700.4		1 946.5		8 646.9		18 764.8		1 946.5		20 711.3	
Total. CEE. CIS and the Baltic States region	41 640.3	3.8	60 930.2	8.0	102 570.5	5.5	50 614.5	4.7	65 464.1	8.0	116 078.7	6.1
INTERCOUNTRY												
A. Programmes	16 703.2		15 058.9		31 762.1		18 588.0		16 192.4		34 780.4	
B. Programme support												
Country and regional offices	2 483.3		0.0		2 483.3		1 796.9		479.4		2 276.3	
Headquarters	81 075.3		0.0		81 075.3		71 759.3		0.0		71 759.3	
Subtotal. Programme support	83 558.6	0.0	0.0		83 558.6		73 556.2		479.4		74 035.6	
Total. Intercountry	100 261.8	9.1	15 058.9	2.0	115 320.7	6.2	92 144.2	8.5	16 671.8	2.0	108 816.0	5.7
TOTAL UNICEF												
A. Programmes	622 714.1		739 925.2		1 362 639.3		608 209.4		796 599.9		1 404 809.3	
B. Programme support												
Country and regional offices	232 097.1		23 920.6		256 017.7		243 147.9		24 400.0		267 547.9	
Headquarters	81 075.3		0.0		81 075.3		71 759.3		0.0		71 759.3	
Subtotal. Programme support	313 172.4	0.0	23 920.6		337 093.0		314 907.2		24 400.0		339 307.2	
Total. Programmes and programme support	935 886.5	84.5	763 845.8	100.0	1 699 732.3	90.9	923 116.6	84.9	820 999.9	100.0	1 744 116.5	91.4
C. Management and administration of org. a/	171 039.4	15.5	0.0		171 039.4	9.1	164 022.2	15.1	0.0	0.0	164 022.2	8.6
TOTAL - UNICEF	1 106 925.9	100.0	763 845.8	100.0	1 870 771.7	100.0	1 087 138.8	100.0	820 999.9	100.0	1 908 138.7	100.0
UNALLOCATED PROGRAMMES												
A. Programmes b/	51 285.7		158 074.8		209 360.5		20 790.5		0.0		20 790.5	
B. Programme support	(4 179.4)		4 179.4		0.0							
GRAND TOTAL	1 154 032.2		926 100.0		2 080 132.2		1 107 929.3		820 999.9		1 928 929.2	

a/ Includes regional Office for Europe.

b/ Amounts in general resources refer to amounts not allocated to countries due to a shortfall in income in 1996-1997 and amounts in supplementary funds refer to funds not yet received, or received, but not yet committed as of September 1997.

III. DRAFT APPROPRIATIONS DECISION

163. In light of the above, the Executive Director recommends that the Executive Board adopt the following draft decision:

The Executive Board,

Having considered the 1998-1999 biennial support budget estimates of UNICEF, as contained in document E/ICEF/1998/AB/L.1,

1. Approves gross appropriations in the amount of $527,495,900 for the purposes indicated below and resolves that the income estimates of $48,580,000 shall be used to offset the gross appropriations, resulting in estimated net appropriations of $478,915,900:

Biennial support budget for 1998-1999

	(In thousands of United States dollars)
Programme support:	
Country and regional offices	270 345.2
Headquarters	82 445.1
Subtotal	352 790.3
Management and administration of the organization	174 705.6
Total gross appropriations	527 495.9
Less: Estimated income to the budget	48 580.0
Estimated net appropriations	478 915.9

2. Authorizes the Executive Director to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed.

IV. INTERCOUNTRY PROGRAMMES

A. Headquarters

Budget for advocacy and programme development

164. As a result of discussions in the harmonization exercise, the proposals relating to the previous category 4 (advocacy and programme development for headquarters and regional offices), are presented in this chapter separately from the support budget. This chapter is organized by sections A for headquarters and B for regional offices. For each office, proposals for general resources and supplementary funding are explained.

165. The breakdown of this budget into major programme fields and major expenditure lines is shown in table 12. For headquarters, the budget totals $13,537,500 for 1998-1999. This is $1,282,000, or 9.5 per cent lower than the 1996-1997 approved budget.

Table 13. Advocacy and programme development budget for headquarters

(In thousands of United States dollars)

	Workshops and conferences	Prog. materials, publications, devel.	Co-funding joint programmes	Research and studies	Total
Health	101.0	147.0	972.5	468.7	1,689.2
Nutrition	210.0	185.0	786.0	280.0	1,461.0
Education	254.0	308.5	418.0	327.0	1,307.5
Water, environment and sanitation	280.0	240.0	170.0	100.0	790.0
Child protection	40.0	25.0	140.0	0.0	205.0
Intersectoral	145.0	399.9	345.5	578.3	1,468.7
Advocacy and communication	423.8	2,014.3	100.0	454.3	2,992.4
Planning, evaluation and monitoring	165.5	491.0	1,259.2	313.0	2,228.7
Emergency	590.0	160.0	235.0	410.0	1,395.0
Total 1998-1999	2,209.3	3,970.7	4,426.2	2,931.3	13,537.5
Total 1996-1997	1,891.0	4,827.6	5,456.4	2,644.4	14,819.4
Percentage of change	14.4	-21.6	-23.3	9.8	-9.5

166. This budget contains $4.0 million for joint programme activities with other United Nations agencies and organizations; $4.0 million for programme advocacy publications, audio-visual and other materials; $2.9 million for research, studies and programme activities; and $2.2 million for workshops and conferences on identified programme areas.

167. UNICEF has extensive cooperation with selected agencies both within and outside of the United Nations system to mobilize wide support for programmes and policies for children and women. This partnership is aimed at mobilization at the global, regional and country levels; technical collaboration in supporting field programmes; and developing and promoting strategies and programme approaches to advance the goals for children and women. In the area of health, for example, UNICEF is an active partner in the Joint United Nations Programme on HIV/AIDS (UNAIDS), the multi-agency global collaborative effort to prevent the spread of HIV/AIDS. In the area of education, UNICEF supports collaborative activities with the United Nations Educational, Scientific and Cultural Organization in developing methods for monitoring and assessing basic education outcome, and the dissemination of innovative approaches and strategies for girls' education. UNICEF also has collaborative arrangements with other international organizations, NGOs and academic and research institutions.

168. The technical advisory sections in Programme Division, as well as the Office of the Director, will continue to prepare, produce and disseminate a wide range of printed and audio-visual materials, manuals, kits and publications which are shared within UNICEF, with other organizations and with national counterparts. These materials are used for training, as information sources, references and guides for programming and for advocacy and social mobilization. Included in this budget are also the costs for producing The State of the World's Children report and The Progress of Nations, two flagship publications which advocate issues affecting children and women.

169. UNICEF research support is of an operational nature, aimed at developing better programme strategies, policy analyses and evaluations and their effective implementation. Research activities are carried out in collaboration with other institutions and national counterpart organizations. Headquarters and regional support are directed at issues of common concern to many field programmes.

170. Workshops, seminars and research related to the operational activities of UNICEF are important components of UNICEF programme cooperation. The training workshops are undertaken selectively, frequently in collaboration with other institutions and appropriate technical expertise, as a means of developing the capacity of national counterparts.

Supplementary programme for interregional activities

171. To complement the general resources budget for advocacy and programme development, the Executive Board is also requested to approve the supplementary programme for interregional activities for the period 1998-1999, subject to the availability of specific-purpose contributions. The budget contains the proposed budget for headquarters in the amount of $39.7 million and $94.4 million for country offices. The budget proposal is presented in the draft resolution which follows in section C. The overall purpose of this programme is to allow the organization to seize new opportunities for children as they arise at global, regional and country levels, in addition to the ceiling approved through individual CPRs. In 1996, the Executive Board approved a total of $81.7 million for Programme Funds for the 1990s Goals for 1996-1997, of which $60 million were actually funded as of September 1997 (E/ICEF/1996/12/Rev.1, decision 1996/13). Of the funds received, $7 million were allocated for activities at the global level, while $53 million were allocated for initiatives in the countries.

172. The proposed budget will continue to be used to address problems in the areas of health, nutrition, water, environment, sanitation, education, child protection, gender and programme partnerships and development and implementation of an effective PKN. Included for the first time are $15 million for the accelerated implementation of PROMS and the information technology infrastructure mentioned in paragraphs 55-61 above.

B. Regional offices

173. The secretariat proposes an amount of $4 million for advocacy and programme development from general resources and $27.1 million to be mobilized as supplementary funds for support to programme activities at the regional level as described below.

West and Central Africa region

West and Central Africa Regional Office programme budget (general resources) for advocacy and programme development

174. For the 1998-1999 biennium, the proposed programme budget is $989,000. The main programme activities are as outlined below:

(a) The regional office will improve the effectiveness of UNICEF in fulfilling its mandate by strengthening the capacity of the country offices to assist Governments and other partners in analysing and assessing the situation of children and women, achieving the goals of the World Summit for Children and implementing the Convention on the Rights of the Child;

(b) The regional office will continue to promote regional capacity-building, support relevant regional institutions and organizations, and share information and experiences of UNICEF with important development actors in the region;

(c) The regional office will mobilize strategic partners and encourage regional and subregional policies, initiatives and approaches aimed at improving the situation of children and women;

(d) In the context of the Bamako Initiative, the regional office will advocate for cost-effective, community-based health policies, safe motherhood and expanded programme on immunization/disease control;

(e) In the area of basic education, support will be given to country offices in developing more coherent and focused education programmes based on UNICEF regional education priorities and the overall framework of the education strategy paper;

(f) In the water, environment and sanitation sector, the regional office will focus its support in capacity-building to enhance the offer of affordable and sustainable household excreta disposal technology as well as increase the effectiveness of communication for hygiene behavioural change.

West and Central Africa Regional Office programme budget (supplementary funds)

175. The programme budget for the 1998-1999 biennium in supplementary funding is in the amount of $2,000,000 and will be utilized to support the initiatives and activities indicated above.

Eastern and Southern Africa region

Eastern and Southern Africa Regional Office programme budget (general resources) for advocacy and programme development

176. ESARO has identified two overarching priorities:

(a) The pursuit of the respect, protection and fulfilment of children's rights, with a special focus on the empowerment of adolescent girls;

(b) The pursuit of progressively higher quality basic education for all children in the region as a key component of sustained and rising human development.

177. It has also identified four major strategic thrusts as follows:

(a) Protection of children in armed conflict through implementation of the anti-war agenda of the Convention on the Rights of the Child;

(b) Prevention and control of HIV/AIDS, working through regional inter-agency networks;

(c) Promotion of behavioural and supporting policy change, including through regional communication and education initiatives;

(d) Promotion and analysis of strategies to address the social dimensions of poverty at the national policy level.

178. The proposed programme budget under regular resources is $260,000, out of which $100,000 are for the Seychelles and $160,000 will be utilized mainly to support technical networks of the Regional Knowledge Acquisition Forum and the RMT, regional studies, research and support to regional publications and communication materials development.

Eastern and Southern Africa Regional Office programme budget (supplementary funds)

179. A proposal in supplementary funding of $7,900,000 is to cover high priority regional initiatives that will be pursued in support of the strategic thrusts as indicated under regular resources. Most of the initiatives, such as the "Sara" communication initiative, HIV/AIDS network, regional education initiative, water and environmental sanitation, gender analysis and development, including elimination of female genital mutilation, and emergency preparedness and response, are a continuation of initiatives launched in the 1996-1997 biennium.

180. "Sara" communication initiative. The regional office will continue to coordinate and manage the production and wide dissemination of highly researched, communication packages on staying in school; avoiding HIV/AIDS and sexual abuse; female genital mutilation; career choices; teenage pregnancy; early marriage; and workload.

181. HIV/AIDS network. The regional office will provide expertise, information and training in all of the four programme areas, such as communication for behaviour change and behaviour development; psycho-social life skills programme development, both in-school and out-of-school; policy and programme strategy development for children affected by AIDS and orphans; and provision of adolescent and women-friendly services.

182. Emergency preparedness and response. The Emergency Support Unit will continue to assist country offices in their efforts to prevent emergencies, where possible, and to respond effectively and efficiently to emergency and recovery needs. In order to achieve this, it will closely follow developments in the region that may lead to crisis situations and provide information helpful to country offices and headquarters in raising awareness of potential emergencies. Furthermore, it will assist the offices in the region to establish readiness plans and systems for emergency programmes and for operations; advise on activities supported by UNICEF by which preparedness of national authorities and partners can be enhanced; and facilitate training and other capacity-building measures that will enhance preparedness and the effective response of UNICEF and other partners.

The Americas and the Caribbean region

The Americas and the Caribbean Regional Office programme budget (general resources) for advocacy and programme development

183. The proposed programme budget is $745,000. TACRO will use programme funds to help improve the living conditions of children and women, especially the poorest and discriminated against, as well as to promote child and women's rights with a view to strengthen citizenship and democracy.

184. For this purpose, it will provide policy analysis, technical support and resource mobilization using networking and shared experiences as the principal tools. The focus is the country programme, which will be complemented by regional and subregional policy, coordination and oversight activities. During the 1998-1999 period, the regional office will lead an enhanced effort by the countries to fulfil their commitments to the World Summit for Children, the Santiago Accord and the international conferences as they relate to children and women. In particular, this will be done by supporting, together with the Inter-agency Committee for the Follow-up to the World Summit for Children (International Children's Centre), the mechanism created by the countries of the region for this purpose, i.e., the biannual Ministerial meeting on Children and Social Policy and the related technical meetings. It will also encourage the strengthening of information systems and development of indicators such as child protection and gender equity.

185. The RMT, which is the forum of heads of offices who decide UNICEF strategic direction and activities in the region, has initiated work to set the framework within a global setting for a plan of action for children for the period 2000-2010, building on the relationship between children, rights and citizenship. New areas for programme development will be explored, such as children and the urban environment, youth and adolescents' participation and education for democracy.

The Americas and the Caribbean Regional Office programme budget (supplementary funds)

186. During the 1998-1999 biennium, the regional office for the Americas and the Caribbean will seek supplementary funding of $2,000,000 to undertake the following four major initiatives which will support both improved country programmes as well as subregional and regional cooperation.

187. Child rights. The regional office will continue to collaborate with country offices in increasing the capacity of Government and NGO partners to implement the Convention on the Rights of the Child. Among the main areas of intervention are legislative and institutional reform, juvenile justice, elimination of child labour, protection against violence and child abuse, and increasing the capacity of members of the judiciary, police and other public and private services related to child protection.

188. Gender equity. The regional office will continue to promote gender equity and improved policies and capacity-building with Government and non-governmental partners. Some priority concerns include equity in women's health care, including reproductive health; girls' education; women's leadership; implementation of the Convention on the Elimination of all Forms of Discrimination against Women, linked with the Convention; and more opportunities for women to participate in social development activities.

189. Goals achievement. The regional office will continue efforts to support policies and programmes aimed at ensuring achievement of the World Summit and Santiago Accord goals. Special emphasis will be put on reducing MMR, HIV/AIDS and improvement in child nutrition, undertaking targeted assessment and analysis, and promoting more effective strategies for sustainable progress by the year 2000. Monitoring progress and evaluating impact, building national capacities and exchanging experiences will be stressed.

190. Education for democracy and peace. TACRO will foster an approach to education which aims at promoting the consolidation of citizenship from childhood based on the values of democracy, solidarity, equity and justice. Technical assistance will be provided in improving the quality of education, strengthening basic education and institutional capacity-building and sectoral reform.

191. Special Adjustment Facility for Latin America and the Caribbean. In addition, supplementary funds are being sought for the Special Adjustment Facility for Latin America and the Caribbean (SAFLAC) in the amount of $7,000,000. This amount, the same as in previous years, is proposed for allocation to country, subregional and regional initiatives.

192. SAFLAC was created during the 1988 session of the Executive Board with the aim of assisting countries of the region to cope with the negative impact of the economic crisis in the 1980s (E/ICEF/1988/13, decision 1988/22). While some of the regional conditions related to the creation of this Facility have changed, its aims still remain valid for many countries in the region. SAFLAC will be a complementary instrument to link the achievement of mid-decade goals to the solution of specific problems affecting poverty-stricken children and women in the region. This Facility has proven to expedite and support horizontal technical cooperation aimed at an exchange of successful experiences, methodologies and appropriate technologies useful to achieving the World Summit and Santiago Accord goals while building national capacity for long-term development.

East Asia and the Pacific region

East Asia and the Pacific Regional Office programme budget (general resources) for advocacy and programme development

193. The programme budget for 1998-1999 is $644,000, remaining at the 1997 annual level for advocacy and programme development. The programme and

communications-related activities planned to be supported by the regional support budget and programme budget during 1998-1999 are linked to three major priorities defined by the RMT:

(a) Reaffirmation of commitments and mobilization of support to the World Summit goals for the year 2000 and review of related programme strategies and monitoring systems;

(b) Strengthening of child rights approaches in UNICEF programmes in terms of scope, objectives and strategies;

(c) Supporting the country programming process in the region, with special emphasis on countries undergoing CPPs and MTRs.

194. The efforts and activities related to the first priority area will focus on preparation, implementation and follow-up of a regional ministerial consultation planned for November 1998 in Indonesia. Two previous ministerial consultations, held in the Philippines in 1993 and in Viet Nam in 1995, proved to be very important for mobilizing broad political and financial support for the mid-decade goals across the countries in the region, and the RMT agrees that it will be extremely important to build upon this successful experience in reconfirming the commitments to the World Summit goals for the year 2000, especially since many of these goals are considerably more complex and demanding than the mid-decade goals.

195. Preparations for the ministerial meeting will include an in-depth review of some of the most critical strategies, including MMR and protein-energy malnutrition (PEM) reduction, basic education ("beyond school enrolment and literacy") and child protection. All of these are areas where even the more economically successful countries in the region are experiencing limited results. However, an assessment has revealed that chances of success are high if a broader regional mobilization and focusing of efforts can be achieved.

196. The programme strategy reviews will be combined with advocacy and communication activities as well as with strengthening of monitoring systems in order to ensure that there will be effective reporting and awareness of the effort in itself and of its outcomes.

197. The second priority will focus on improving programming approaches to better use the Convention on the Rights of the Child as a framework. There will be contributions both to further developments of programming guidelines and best practices, and to direct support to country-level activities, including programming, training of staff and counterparts, and support to the Convention monitoring and reporting process.

198. The third priority area for regional office programme and communications activities is to ensure that the country offices receive timely and appropriate technical support and guidance particularly during CPPs and MTRs. This task is carried out primarily by regional advisers, but possibilities for using technical resource persons between countries are being increasingly explored and with good response.

East Asia and the Pacific Regional Office
programme budget (supplementary funds)

199. The East Asia and Pacific Regional Office proposes a supplementary funds contribution of $2,000,000 for the 1998-1999 biennium.

200. The regional office is coordinating implementation of one multi-country project: the Mekong HIV/AIDS Project. This project is funded jointly by the Government of the Netherlands and the Netherlands Committee for UNICEF. It was initiated in 1996 and the implementation period will extend to the end of 1999. The major objective of this project is to provide strategic funding to accelerate efforts to contain the HIV/AIDS pandemic in the six Mekong river

countries (Cambodia, China, the Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam).

201. Given the specific nature of HIV/AIDS with known problems to create awareness and committed efforts before it is too late to avoid very traumatic consequences and the rapid spread of the virus across borders, it was agreed that a multi-country initiative was highly justified where the countries with a late onset of the pandemic could learn from those which already had experience of both impact as well as control measures. In this sense, Thailand has served as the major experience-sharing and training ground during the first phase of the project and has hosted hundreds of officials, NGOs and technical staff from the other project countries. This, together with strong technical support in the respective countries, has already resulted in acceleration of planning and initiation of specific projects in all of the countries, and the project is considered highly successful by all partners involved, including UNAIDS partners.

202. The regional office plays a very important role in facilitating exchanges among the countries, addressing weaknesses in individual country projects, initiating multi-country efforts in areas of joint interest such as care for children and women affected by HIV/AIDS and ethnic minorities, addressing the difficult cross-border issues and establishing strategic alliances. Apart from staff and travel costs, the regional budget for 1998-1999 includes provisions for meetings and training workshops, consultancy costs to work primarily on cross-border issues, support for the production and dissemination of information and training materials, and production of an update of the impact of HIV/AIDS on children and women in the region.

South Asia region

South Asia Regional Office programme budget (general resources) for advocacy and programme development

203. The programme budget for 1998-1999 of $651,000 is at the same annual level as the 1997 budget for advocacy and programme development. The amount will be used for activities to achieve the following objectives:

(a) Organize and support regional meetings, studies and research with SAARC, NGOs and United Nations agencies to develop and further refine regional strategies in the field of rights, health, resource mobilization, the elimination of violence against girls and women, and education. The regional office will identify strategies for advocacy, taking into consideration specific information and features of the South Asia region;

(b) Provide technical support to the country offices in the fields of education, health, nutrition, monitoring and evaluation, and economic and social policy for timely and quality country programme development;

(c) Maintain a regional database on children and women, and establish and maintain networks of strategic allies in support to the knowledge function of the regional office.

South Asia Regional Office programme budget (supplementary funds)

204. The South Asia Regional Office (SARO) proposes a supplementary funds contribution of $3,200,000 for the 1998-1999 biennium to continuously support regional activities for child malnutrition in the region and the multimedia communication initiative for girls known as "Meena".

205. Nutrition Initiative in South Asia. More than one half of the world's malnourished children live in South Asia. The prevalence of PEM is much higher than in sub-Saharan Africa. Bangladesh, India and Pakistan have PEM prevalences that are double what would be expected from their GNP per capita. In some countries, particularly Sri Lanka, the infant and child mortality rates are very

low, while the prevalence of malnutrition is still high. The basic assumptions of this initiative are that there are urgent needs, that countries have already demonstrated a commitment to address PEM and that there are potentially great opportunities to improve the situation. This can only be done by improved strategies.

206. The Nutrition Initiative in South Asia (NISA) will support a coordinated joint effort of all countries in the region to accelerate the improvement of nutrition. The UNICEF country office is the key actor in this initiative. NISA was recommended by the SAARC Conference on Children, held in Islamabad in August 1996, and later endorsed by the SAARC Summit in May 1997.

207. All countries have at least a few successful community-based nutrition-oriented programmes or projects. National and subnational assessment/analysis/action ("triple A") workshops will be organized to reach consensus and to learn from successful nutrition programmes/projects, better understand the causes of PEM and identify strategic candidates for facilitators and mobilizers. A training process will address capacity-building for these two types of personnel. Subnational and community nutrition monitoring systems will be reviewed and improved where appropriate. This will enhance a Government and community partnership.

208. In 1996, UNICEF joined the Asian Development Bank in a regional technical assistance project. Bangladesh, India, Pakistan and Sri Lanka participated. The project aims at preparing a profile for each country which will include an assessment and analysis of the nutrition problem from both the micro- and macro-perspective. Investment plans will be ready by the end of 1997. At the country level, closer cooperation also is envisaged with the World Bank and Save The Children Alliance as well as with other United Nations agencies and bilateral donors with an interest in nutrition. The proposed budget is for $2,000,000 to support training and other capacity-building activities, advocacy and information, improvement of child nutrition monitoring and evaluation systems and programme support.

209. Meena Communication Initiative for the Girl Child in South Asia. SAARC named the 1990s the Decade of the Girl Child as a result of the extreme discrimination against girls in the region. In order to help bring about a transformation in the status of girls, a radical and creative multimedia communication project, the Meena Communication Initiative, was initiated by UNICEF offices in South Asia in 1991.

210. "Meena", the girl in the "flagship" animated series, is set to become a powerful advocate for the cause of girl children throughout South Asia and beyond. In animated films, radio series and comic books, Meena's experiences and acute observations not only expose the discrimination against girls at the heart of family and community life, but also offer positive, achievable solutions through the example of the empowerment of girls and women. The project is grounded in a programme of extensive formative research and the topic and story line of each episode is investigated in urban and rural areas throughout the region.

211. The Meena Communication Initiative is about to enter its third phase, covering the period until June 2000. Phase Three of the project will see the mass dissemination and utilization of Meena materials at national and regional levels and the production of a second film series in the region. The question of developing a Meena Foundation for the initiative in order for it to become sustainable and possibly self-financing outside the parent organization is also to be considered in-depth during this period. Additionally, the development of Meena commercial products as well as the licensing and syndication of Meena materials is to be developed and/or finalized in each participating country.

212. Whereas funding for Phases One and Two of the Meena initiative was provided by the Government of Norway through the UNICEF Global Communication Support Fund, as well as through smaller grants from the United Kingdom

Committee for UNICEF and the Japan Committee for UNICEF, SARO is now seeking to broaden the funding base for the further development of the initiative.

213. Supplementary funding of $1,200,000 sought by SARO for the Meena Communication Initiative for the 1998-1999 biennium would allow it to:

(a) Provide continued project support;

(b) Reach many more millions of its audience in South Asia by bringing the Meena Initiative to scale;

(c) Explore commercial opportunities that might lead to self-financing and future sustainability;

(d) Coordinate the development and production of a second series of animated films and multimedia support materials in collaboration with the country offices.

Middle East and North Africa region

Middle East and North Africa Regional Office programme budget (general resources) for advocacy and programme development

214. The proposed programme budget for 1998-1999 is $760,000. The programme priorities consist of a rights approach, disparity and poverty reduction, and youth and adolescents. The regional office supports country offices through five modalities:

(a) Involvement in programme planning, to ensure that creative strategies are designed to meet the priorities;

(b) Providing and identifying cutting edge technical expertise on policies and approaches;

(c) Actively engaging in reviews and evaluations;

(d) Carrying out regional situation and policy analysis of trends affecting children;

(e) Sponsoring training and seminars which bring country office staff, counterparts and other alliances to the forefront of important issues, as well as to raise skill levels. The 1996 training on the Convention on the Rights of the Child serves as a good example for this.

Middle East and North Africa Regional Office programme budget (supplementary funds)

215. The MENA Regional Office will seek supplementary funds of up to $2,000,000 to undertake innovative activities on a subregional and regional basis in four interrelated, priority programme areas defined by the RMT. Work in each of these areas will enable and promote regional initiatives, support country-level initiatives and contribute to the knowledge base available at the country level.

216. Promotion of child rights. Advocacy for the implementation of the Convention on the Rights of the Child, and for wider ratification of the Convention on the Elimination of all Forms of Discrimination against Women and its implementation, will continue. This will include working with regional groupings of opinion leaders and decision makers to develop greater regional consensus on rights and means for their implementation, setting up better systems for monitoring implementation, and training on child rights and gender issues. There will be a special emphasis on issues of specific concern to the region, including the right to a nationality. Cooperation will continue with the League of Arab States to strengthen the reporting of countries in the region to the Committee on the Rights of the Child and on implementation of the

Convention. Additional cooperation will be extended to regional NGOs working on child and women's rights.

217. Disparity and poverty reduction. Regional situation analyses will be done to clarify disparities, especially those due to gender, and will examine patterns in the distribution and causes of poverty in countries of the region. Regional organizations will be mobilized to promote gender equity, including through the establishment of common, disaggregated databases. Advocacy will be done in cooperation with regional partners to seek creative and sustainable solutions to disparities. Disparities specific to girls in the MENA region will be dealt with in depth, including female genital mutilation and access of women to basic literacy.

218. Promotion of healthy lifestyles among youth and adolescents. There will be a special focus on MMR reduction as well as on girl's education to support young people and adolescents, especially in the sectors of health education and healthy lifestyles, and to reduce the impact of armed and civil conflict. The main strategies will involve civil society, schools and community groups to enable the direct participation of youth, as well as advocacy through the media.

219. Basic services for children and women in urban areas. As MENA is a very rapidly urbanizing region, there will be cross-cutting regional activities related to ameliorating the impact of urbanization on children. This will include a focus on child labour and on commercial exploitation of children of all kinds. Strategies will include research and studies into the impact of urbanization and the breakdown of traditional support systems; cooperation with regional groupings working in urban areas; and sharing of proven or workable strategies to support children and promote child rights in urban areas.

Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States

Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States Regional Office programme budget (general resources) for advocacy and programme development, and supplementary funds

220. For the 11 countries without a country programme, a multi-country programme was approved by the Executive Board at its third regular session of 1997 (decision 1997/22) and funded from general resources in the amount of $6,000,000 for 1998-1999. An additional supplementary funding component of $5,000,000 was also approved.

221. With a well-developed infrastructure and skilled human resources in the region, the focus of UNICEF in these countries will be on safeguarding achievements of the past, contributing to further capacity-building and collaboration with institutions in order to initiate studies on cost-effectiveness that will help to adequately respond to child protection issues.

222. The strategy entails making the stipulations of the Convention operational through selected interventions focusing on improved child care, development and protection of the adolescent, and specific health activities in order to promote children and women's health as well as to support education, communication and advocacy.

223. The regional strategy comprises the following three closely interlinked categories: support to social sector service delivery; public policy and systems reform; and strengthening civil society and public institutions.

224. The objectives are:

(a) To develop a better understanding of children's issues through strengthening country capacity in data collection and analysis in support of policy development and systems reform;

(b) To advocate and support children's rights actions at the country level through capacity-building and problem-solving with civil society, communities and Governments;

(c) To promote innovative approaches for child and adolescent protection and development, while safeguarding the participation of adolescents in the process;

(d) To strengthen and closely coordinate work with all relevant partners (United Nations agencies, National Committees, international and national NGOs, bilateral donors, etc.) on the protection of children and mothers;

(e) To enhance information and experience exchange among countries of the region and facilitate the dissemination of best practices.

C. Draft resolutions

Draft resolution 1

General resources programme budget estimates for the 1998-1999 biennium

225. The Executive Director recommends that the Executive Board adopt the following draft resolution on general resources programme budget estimates for the 1998-1999 biennium for programme activities at headquarters and regional offices:

The Executive Board

1. Decides:

(a) That a general resources programme budget of $17,587,000 is approved (other than the Emergency Programme Fund) for 1998-1999 broken down as follows:

	(In thousands of United States dollars)
Headquarters	
Health	1 689
Nutrition	1 461
Education	1 308
Water and sanitation	790
Child protection	205
Intersectoral	1 469
Advocacy and communication	2 992
Planning, evaluation and monitoring	2 229
Emergency	1 395
Subtotal	13 538
Regions	
West and Central Africa	989
Eastern and Southern Africa	260
The Americas and the Caribbean	745
East Asia and the Pacific	644
South Asia	651
Middle East and North Africa	760
Subtotal	4 049
Total	17 587

(b) That the budget for the Emergency Programme Fund for 1998-1999 is approved as follows:

	(In thousands of United States dollars)
Non-reimbursable portion of the Fund	5 000
Revolving portion of the Fund	20 000
Total	25 000

(c) That the Executive Director be authorized to administer the funds in the most efficient and effective manner under the provision of each of the funds. The Executive Director, may, without further authorization from the Executive Board, transfer, if necessary, between the programme fields an amount not exceeding 10 per cent of the approved budget of the fund to which the transfer is being made.

Draft resolution 2

Supplementary-funded programme budget estimates for the 1998-1999 biennium

226. The Executive Director also recommends that the Executive Board adopt the following draft resolution on supplementary-funded programme budget estimates for the 1998-1999 biennium:

The Executive Board

1. Decides:

(a) That a supplementary-funded programme budget of $161,200,000 is approved for the 1998-1999 biennium, subject to availability of specific-purpose contributions, as follows:

	Headquarters	Region	Country	Total
	(In thousands of United States dollars)			
Regional offices				
West and Central Africa	-	2 000	-	2 000
Eastern and Southern Africa	-	7 900	-	7 900
The Americas and the Caribbean	-	2 000	-	2 000
SAFLAC	-	7 000	-	7 000
East Asia and the Pacific	-	2 000	-	2 000
South Asia	-	3 200	-	3 200
Middle East and North Africa	-	2 000	-	2 000
Subtotal	-	26 100	-	26 100

	Headquarters	Region	Country	Total
	(In thousands of United States dollars)			
Health	1 200	-	76 400	77 600
Nutrition	8 500	-	3 700	12 200
Education	2 400	-	2 000	4 400
Water and sanitation	400	-	3 000	3 400
Child protection	2 500	-	2 900	5 400
Intersectoral	5 800	-	3 400	9 200
Advocacy and communication	1 200	-	-	1 200
Emergency	6 700	-	-	6 700
Accelerated information technology and PROMS	11 000	1 000	3 000	15 000
Subtotal	39 700	1 000	94 400	135 100
Total	39 700	27 100	94 400	161 200

(b) That for the biennium 1998-1999, a total recommendation of $161,200,000 for supplementary funding is approved. If necessary, funds in excess of indicated amounts for specific programme areas and regions can be received provided that the total amount of funds received is within the approved limit.

V. SUMMARY TABLES

Note: References to tables numbered with arabic numerals refer to tables contained in chapters I-III. References to tables numbered with roman numerals refer to summary tables in chapter V.

Table I. Proposed gross budget estimates by organizational unit within appropriation line and estimated income to the budget, 1998-1999

(In thousands of United States dollars)

Appropriation line/ organizational unit	1996-1997 approved appropriations	Volume Amount	Volume %	Cost	1998-1999 estimates	% Inc./dec.
A. Programme support						
1. Country and regional offices						
West and Central Africa region	57,770.5	(1,482.6)	(2.6)	(1,560.9)	54,727.0	(5.3)
Eastern and Southern Africa region	50,787.1	(2,194.5)	(4.3)	2,808.9	51,401.5	1.2
The Americas and the Caribbean region	39,205.8	157.1	0.4	3,575.7	42,938.6	9.5
East Asia and the Pacific region	34,310.4	(1,350.0)	(3.9)	508.9	33,469.3	(2.5)
South Asia region	32,257.6	(1,404.9)	(4.4)	583.3	31,436.0	(2.5)
Middle East and North Africa region	30,556.1	(401.2)	(1.3)	433.0	30,587.9	0.1
CEE, CIS and the Baltic States region	8,646.9	12,096.8	139.9	(32.4)	20,711.3	139.5
Country and regional offices: Central	2,483.3	2,858.3	115.1	(268.0)	5,073.6	104.3
Subtotal	256,017.7	8,279.0	3.2	6048.5	270,345.2	5.6
2. Headquarters						
Programme Division	30,206.8	(5,523.7)	(18.3)	1,658.4	26,341.5	(12.8)
Office of Emergency Programmes	5,072.2	(717.7)	(14.1)	856.3	5,210.8	2.7
Regional Office for Europe (Geneva)	1,950.2	198.6	10.2	(864.9)	1,283.9	(34.2)
Information Resources Management: PROMS	4,471.1	(1,024.4)	(22.9)	244.8	3,691.5	(17.4)
Supply Division	45,344.3	(9,964.5)	(22.0)	(3,320.6)	32,059.2	(29.3)
Headquarters: Programme support: Central	12,030.7	1,290.9	10.7	536.6	13,858.2	15.2
Subtotal	99,075.3	(15,740.8)	(15.9)	(889.4)	82,445.1	(16.8)
Subtotal: Programme support	355,093.0	(7,461.8)	(2.1)	5,159.1	352,790.3	(0.6)
B. Management and administration of organization						
Office of the Executive Director	5,061.8	(138.0)	(2.7)	284.9	5,208.7	2.9
Division of Evaluation, Policy and Planning	8,211.5	276.1	3.4	680.7	9,168.3	11.7
Office of Internal Audit	5,714.9	484.3	8.5	610.8	6,810.0	19.2
Office of the Secretary of the Executive Board	2,433.7	(302.0)	(12.4)	284.9	2,416.6	(0.7)
Management Review Team	2,020.7	(2,020.7)	(100.0)	0.0	0.0	(100.0)
Programme Funding Office	5,760.7	(674.7)	(11.7)	595.4	5,681.4	(1.4)
Office of UN Affairs and External Relations	2,649.7	(1,058.1)	(39.9)	475.1	2,066.7	(22.0)
Division of Communication	20,191.2	(3,304.0)	(16.4)	2,519.4	19,406.6	(3.9)
Division of Human Resources	15,071.0	(1,116.8)	(7.4)	1,168.8	15,123.0	0.3
Division of Financial and Admin. Management	22,868.0	(833.3)	(3.6)	1,632.2	23,666.9	3.5
Division of Information Resources Management	21,775.0	(2,197.3)	(10.1)	1,881.6	21,459.3	(1.4)
Financial and Logistics System	4,488.0	946.2	21.1	335.4	5,769.6	28.6
Office for Japan	3,829.6	(40.2)	(1.0)	(422.6)	3,366.8	(12.1)
Regional Office for Europe (Geneva)	17,139.0	(868.8)	(5.1)	(2,266.5)	14,003.7	(18.3)
Headquarters: Management and admin.: Central	34,824.6	4,370.6	12.6	1,362.8	40,558.0	16.5
Subtotal: Management and admin. of org.	172,039.4	(6,476.7)	(3.8)	9,142.9	174,705.6	1.5
TOTAL GROSS APPROPRIATIONS	527,132.4	(13,938.5)	(2.6)	14,302.0	527,495.9	0.1
Estimated income	(47,162.5)	(1,417.5)	3.0	0	(48,580.0)	3.0
TOTAL NET APPROPRIATIONS	479,969.9	(15,356.0)	(3.2)	14,302.4	478,915.9	(0.2)

Table II. Proposed gross budget estimates by expenditure category within appropriation line, 1998-1999

(In thousands of United States dollars)

Appropriation line/ expenditure category	1996-1997 approved appropriations	Volume		Cost	1998-1999 estimates
		Amount	%		
A. Programme support					
1. Country and regional offices					
Posts	169,151.0	9,819.9	5.8	5,255.1	184,226.0
Other staff costs	7,689.7	(450.1)	(5.9)	678.7	7,918.3
Consultants	1,145.6	488.8	42.7	23.4	1,657.8
Travel	10,749.2	345.8	3.2	1,063.4	12,158.4
Operating expenses	55,304.3	(60.4)	(0.1)	(1,451.5)	53,792.4
Furniture and equipment	9,414.0	(2,324.5)	(24.7)	560.5	7,650.0
Reimbursements	2,563.9	459.5	17.9	(81.1)	2,942.3
Subtotal	256,017.7	8,279.0	3.2	6,048.5	270,345.2
2. Headquarters					
Posts	54,503.8	(358.8)	28.7	(1,352.9)	52,792.1
Other staff costs	3,973.2	(1,209.7)	(30.4)	155.7	2,919.2
Consultants	1,219.1	(542.5)	(44.5)	47.8	724.4
Travel	5,073.4	(907.0)	(17.9)	427.1	4,593.5
Operating expenses	30,812.7	(12,881.3)	(41.8)	(363.0)	17,568.4
Furniture and equipment	2,029.1	(33.5)	(1.7)	95.1	2,090.7
Reimbursements	1,464.0	192.0	13.1	100.8	1,756.8
Subtotal	99,075.3	(15,740.8)	(15.9)	(889.4)	82,445.1
B. Management and administration of organization					
Posts	98,699.9	823.9	0.8	4,823.3	104,347.1
Other staff costs	7,100.8	492.1	6.9	220.2	7,813.1
Consultants	1,100.5	2,017.1	183.3	101.1	3,218.7
Travel	5,801.5	(686.7)	(11.8)	524.2	5,639.0
Operating expenses	49,329.1	(11,934.1)	(24.2)	2,839.6	40,234.6
Furniture and equipment	3,254.0	1,910.7	58.7	295.4	5,460.1
Reimbursements	6,753.6	900.3	13.3	339.1	7,993.0
Subtotal	172,039.4	(6,476.7)	(3.8)	9,142.9	174,705.6
TOTAL					
Posts	322,354.7	10,285.0	3.2	8,725.5	341,365.2
Other staff costs	18,763.7	(1,167.7)	(6.2)	1,054.6	18,650.6
Consultants	3,465.2	1,963.4	56.7	172.3	5,600.9
Travel	21,624.1	(1,247.9)	(5.8)	2,014.7	22,390.9
Operating expenses	135,446.1	(24,875.8)	(18.4)	1,025.1	111,595.4
Furniture and equipment	14,697.1	(447.3)	(3.0)	951.0	15,200.8
Reimbursements	10,781.5	1,551.8	14.4	358.8	12,692.1
TOTAL GROSS APPROPRIATIONS	527,132.4	(13,938.5)	(2.6)	14,302.0	527,495.9

Table III. Estimated distribution of posts by source of funds and organizational unit, 1998-1999

Source of funds/ organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and other categ.	Grand total
A. Programme support											
1. Country and regional offices											
West and Central Africa region											
1996-1997											
Regular resources	0	2	4	34	25	19	0	84	48	228	360
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	2	4	34	25	19	0	84	48	228	360
1998-1999											
Regular resources	0	2	4	34	27	18	0	85	46	228	359
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	2	4	34	27	18	0	85	46	228	359
Eastern and Southern Africa region											
1996-1997											
Regular resources	0	2	5	34	27	17	0	85	44	216	345
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	2	5	34	27	17	0	85	44	216	345
1998-1999											
Regular resources	0	2	5	31	31	15	1	85	37	206	328
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	2	5	31	31	15	1	85	37	206	328
The Americas and the Caribbean region											
1996-1997											
Regular resources	0	1	5	22	15	1	0	44	45	148	237
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	1	1
Total	0	1	5	22	15	1	0	44	45	149	238
1998-1999											
Regular resources	0	1	2	23	22	0	0	48	50	138	236
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	1	1
Total	0	1	2	23	22	0	0	48	50	139	237
East Asia and the Pacific region											
1996-1997											
Regular resources	0	3	4	18	16	5	2	48	26	168	242
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	3	4	18	16	5	2	48	26	168	242
1998-1999											
Regular resources	0	3	4	17	19	6	3	52	17	144	213
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	3	4	17	19	6	3	52	17	144	213

Table III. Estimated distribution of posts by source of funds and organizational unit, 1998-1999 (continued)

Source of funds/ organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and other categ	Grand total
South Asia region											
1996-1997											
Regular resources	0	3	5	17	15	4	0	44	47	235	326
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	3	5	17	15	4	0	44	47	235	326
1998-1999											
Regular resources	0	4	3	16	16	3	0	42	33	207	282
Other resources relating to reimbursement	0	0	0	0	0	1	0	1	1	1	3
Total	0	4	3	16	16	4	0	43	34	208	285
Middle East and North Africa region											
1996-1997											
Regular resources	0	1	4	16	13	4	0	38	28	124	190
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	4	16	13	4	0	38	28	124	190
1998-1999											
Regular resources	0	1	4	19	14	3	0	41	27	105	173
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	4	19	14	3	0	41	27	105	173
CEE, CIS and the Baltic States region											
1996-1997											
Regular resources	0	1	2	7	0	1	1	12	6	16	34
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	2	7	0	1	1	12	6	16	34
1998-1999											
Regular resources	0	1	4	12	16	3	1	37	17	68	122
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	4	12	16	3	1	37	17	68	122
Total: A.1 Programme support - Country and ROs											
1996-1997											
Regular resources	0	13	29	148	111	51	3	355	244	1135	1734
Other resources relating to reimbursement	0	0	0	0	0	0	0	0	0	1	1
Total - A.1	0	13	29	148	111	51	3	355	244	1136	1735
1998-1999											
Regular resources	0	14	26	152	145	48	5	390	227	1096	1713
Other resources relating to reimbursement	0	0	0	0	0	1	0	1	1	2	4
Total - A.1	0	14	26	152	145	49	5	391	228	1098	1717

Table III. Estimated distribution of posts by source of funds and organizational unit, 1998-1999 (continued)

Source of funds/ organizational unit	International Professional category and above									GS and other categ.	Grand total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.		
2. Headquarters											
Programme Division											
1996-1997											
Regular resources	0	1	9	33	21	2	2	68	0	54	122
1998-1999											
Regular resources	0	1	9	31	17	2	1	61	0	41	102
Office of Emergency Programmes											
1996-1997											
Regular resources	0	1	0	3	3	2	1	10	0	10	20
1998-1999											
Regular resources	0	1	2	1	3	2	1	10	0	10	20
Supply Division											
1996-1997											
Regular resources	0	1	1	12	18	7	3	42	0	88	130
Other resources relating to reimbursement	0	0	1	0	6	3	0	10	0	31	41
Total	0	1	2	12	24	10	3	52	0	119	171
1998-1999											
Regular resources	0	1	1	12	19	6	3	42	0	85	127
Other resources relating to reimbursement	0	0	1	0	6	3	1	11	0	29	40
Total	0	1	2	12	25	9	4	53	0	114	167
Programme Manager System a/											
1996-1997											
Regular resources	0	0	0	0	0	0	0	0	0	0	0
1998-1999											
Regular resources	0	0	0	0	0	0	0	0	0	0	0
Regional Office for Europe, Emergency Section											
1996-1997											
Regular resources	0	0	0	1	1	0	0	2	0	2	4
1998-1999											
Regular resources	0	0	0	1	1	1	0	3	0	2	5

a/ The number of staff working on this project is included in the Division of Information Resources Management.

Table III. Estimated distribution of posts by source of funds and organizational unit, 1998-1999 (continued)

Source of funds/ organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and other categ.	Grand total
Total: A.2 Programme support - Headquarters											
1996-1997											
Regular resources	0	3	10	49	43	11	6	122	0	154	276
Other resources relating to reimbursement	0	0	1	0	6	3	0	10	0	31	41
Total - A.2	0	3	11	49	49	14	6	132	0	185	317
1998-1999											
Regular resources	0	3	12	45	40	11	5	116	0	138	254
Other resources relating to reimbursement	0	0	1	0	6	3	1	11	0	29	40
Total - A.2	0	3	13	45	46	14	6	127	0	167	294
Total: A. Programme support											
1996-1997											
Regular resources	0	16	39	197	154	62	9	477	244	1289	2010
Other resources relating to reimbursement	0	0	1	0	6	3	0	10	0	32	42
Total - A	0	16	40	197	160	65	9	487	244	1321	2052
1998-1999											
Regular resources	0	17	38	197	185	59	10	506	227	1234	1967
Other resources relating to reimbursement	0	0	1	0	6	4	1	12	1	31	44
Total - A	0	17	39	197	191	63	11	518	228	1265	2011
B. Management and administration of organization											
Headquarters											
Office of the Executive Director											
1996-1997											
Regular resources	3	1	2	1	2	0	1	10	0	8	18
1998-1999											
Regular resources	3	2	1	1	2	0	1	10	0	8	18
Division of Evaluation, Policy and Planning											
1996-1997											
Regular resources	0	1	0	8	5	3	2	19	0	14	33
1998-1999											
Regular resources	0	1	0	9	7	3	2	22	0	14	36
Office of Internal Audit											
1996-1997											
Regular resources	0	1	1	6	3	2	2	15	0	4	19
1998-1999											
Regular resources	0	1	1	6	4	2	2	16	0	4	20

Table III. Estimated distribution of posts by source of funds and organizational unit, 1998-1999 (continued)

Source of funds/ organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and other categ.	Grand total
Office of the Secretary of the Executive Board											
1996-1997											
Regular resources	0	0	1	1	2	0	0	4	0	6	10
1998-1999											
Regular resources	0	0	1	1	2	0	0	4	0	6	10
Programme Funding Office											
1996-1997											
Regular resources	0	1	1	6	1	3	5	17	0	12	29
1998-1999											
Regular resources	0	1	1	6	0	0	7	15	0	11	26
Office of UN Affairs and External Relations											
1996-1997											
Regular resources	0	0	1	2	2	2	0	7	0	5	12
1998-1999											
Regular resources	0	0	1	2	0	2	0	5	0	4	9
Division of Communication											
1996-1997											
Regular resources	0	1	1	6	10	12	4	34	0	41	75
1998-1999											
Regular resources	0	1	1	7	12	7	3	31	0	33	64
Division of Human Resources											
1996-1997											
Regular resources	0	1	2	5	11	7	4	30	0	54	84
1998-1999											
Regular resources	0	1	2	4	11	7	4	29	0	50	79
Division of Financial and Administrative Management											
1996-1997											
Regular resources	0	1	3	6	10	14	4	38	0	94	132
1998-1999											
Regular resources	0	1	3	6	9	14	5	38	0	89	127
Division of Information Resources Management											
1996-1997											
Regular resources	0	1	1	2	8	9	0	21	0	29	50
1998-1999											
Regular resources	0	1	1	5	5	14	3	29	0	20	49

Table III. Estimated distribution of posts by source of funds and organizational unit, 1998-1999 (continued)

Source of funds/ organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and other categ.	Grand total
Office for Japan											
1996-1997											
Regular resources	0	0	1	0	1	0	0	2	2	3	7
1998-1999											
Regular resources	0	0	1	0	1	0	0	2	2	3	7
Regional Office for Europe (Geneva) b/											
1996-1997											
Regular resources	0	1	2	2	9	5	1	20	0	30	50
1998-1999											
Regular resources	0	1	2	3	8	4	1	19	0	28	47
Total: B. Management and administration of org.											
1996-1997											
Regular resources	3	9	16	45	64	57	23	217	2	300	519
Other resources relating to reimbursements	0	0	0	0	0	0	0	0	0	0	0
Total - B	3	9	16	45	64	57	23	217	2	300	519
1998-1999											
Regular resources	3	10	15	50	61	53	28	220	2	270	492
Other resources relating to reimbursements	0	0	0	0	0	0	0	0	0	0	0
Total - B	3	10	15	50	61	53	28	220	2	270	492
Grand total											
1996-1997											
Regular resources	3	25	55	242	218	119	32	694	246	1589	2529
Other resources relating to programmes	0	0	0	0	0	0	0	0	0	0	0
Other resources relating to reimbursements	0	0	1	0	6	3	0	10	0	32	42
TOTAL	3	25	56	242	224	122	32	704	246	1621	2571
1998-1999											
Regular resources	3	27	53	247	246	112	38	726	229	1504	2459
Other resources relating to programmes	0	0	0	0	0	0	0	0	0	0	0
Other resources relating to reimbursements	0	0	1	0	6	4	1	12	1	31	44
TOTAL	3	27	54	247	252	116	39	738	230	1535	2503

b/ Excluding the Emergency Section which is included in programme support.

Table IV-A. Other resource estimates by source of funds and organizational unit, 1998-1999

(In thousands of United States dollars)

Source of funds/ organizational unit	1996-1997 estimates	Increase/ decrease	1998-1999 estimates
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. Programme support			
Headquarters			
Supply Division	0.0	0.0	0.0
B. Management and administration of organization	0.0	0.0	0.0
Subtotal	0.0	0.0	0.0
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Headquarters (Supply Division)	8,854.4	(1,694.6)	7,159.8
Grand total	8,854.4	(1,694.6)	7,159.8

Table IV-B. Other resource estimates by source of funds and expenditure category, 1998-1999

(In thousands of United States dollars)

Source of funds/ expenditure category	1996-1997 estimates	Increase/ decrease	1998-1999 estimates
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. Programme support			
1. Country and regional offices			
Posts	0.0	0.0	0.0
Other staff costs	0.0	0.0	0.0
Consultants	0.0	0.0	0.0
Travel	0.0	0.0	0.0
Operating expenses	0.0	0.0	0.0
Furniture and equipment	0.0	0.0	0.0
Subtotal	0.0	0.0	0.0
2. Headquarters			
Posts	0.0	0.0	0.0
Other staff costs	0.0	0.0	0.0
Consultants	0.0	0.0	0.0
Travel	0.0	0.0	0.0
Operating expenses	0.0	0.0	0.0
Furniture and equipment	0.0	0.0	0.0
Subtotal	0.0	0.0	0.0
Subtotal: Programme support	0.0	0.0	0.0
B. Management and administration of organization	0.0	0.0	0.0
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Headquarters (Supply Division)			
Posts	5,986.0	(221.0)	5,765.0
Other staff costs	165.0	(165.0)	0.0
Travel	252.0	(203.6)	48.4
Operating expenses	2,400.1	(1,053.7)	1,346.4
Furniture and equipment	51.3	(51.3)	0.0
Subtotal	8,854.4	(1,694.6)	7,159.8
Grand total	8,854.4	(1,694.6)	7,159.8

Table V. Programme support costs shifted from the programme budget to the support budget

	Number of posts transferred from the programme budget to the support budget				New support budget for 25 offices (In thousands of United States dollars)					
	IP	NP	GS	Total	Posts	Other staff	Travel	Operating expenses	Other	Total
AFRICA										
Sao Tome and Principe	1	0	0	1	229	10	26	135	66	466
Subtotal: Africa	1	0	0	1	229	10	26	135	66	466
ASIA										
Democratic People's Republic of Korea	2	0	1	3	597	0	16	10	11	634
Subtotal: Asia	2	0	1	3	597	0	16	10	11	634
AMERICAS AND THE CARIBBEAN										
Belize	1	1	1	3	387	24	27	90	33	561
Costa Rica	1	1	2	4	405	11	26	94	39	575
Cuba	1	0	3	4	314	11	56	93	34	508
Guyana	1	0	2	3	316	19	29	240	81	685
Panama	1	1	2	4	480	12	29	83	1	605
Venezuela	1	1	2	4	410	42	35	241	32	760
Subtotal: Americas and the Caribbean	6	4	12	22	2,312	119	202	841	220	3,694
MENA										
West Bank and Gaza	2	1	3	6	919	70	43	273	31	1,336
Operation Lifeline Sudan	0	0	0	0	0	0	0	612	88	700
Subtotal: MENA	2	1	3	6	919	70	43	885	119	2,036
CEE, CIS and the Baltic States										
Albania	1	1	3	5	333	59	27	248	49	716
Armenia	1	2	4	7	373	17	30	126	31	577
Azerbaijan	2	1	3	6	581	14	46	98	44	783
Bosnia and Herzegovina and area office	3	1	10	14	1,550	101	52	794	60	2,557
Croatia	1	0	1	2	284	0	14	0	0	298
Federal Republic of Yugoslavia	1	0	1	2	282	1	15	0	0	298
Georgia and area office	2	1	6	9	743	20	79	152	42	1,036
Kazakstan and area office	3	0	8	11	1,440	19	150	435	0	2,044
Kyrgzstan	1	1	2	4	329	5	54	215	0	603
Republic of Moldova	1	1	3	5	283	20	36	84	27	450
Romania	1	1	4	6	345	17	27	89	16	494
Tajikistan	1	1	2	4	284	5	56	176	0	521
The former Yugoslav Republic of Macedonia	1	1	3	5	369	20	28	198	25	640
Turkmenistan	1	1	2	4	309	4	66	109	0	488
Uzbekistan	1	1	2	4	320	5	56	116	0	497
Subtotal: CEE, CIS and the Baltic States	21	13	54	88	7,825	307	736	2,840	294	12,002
Total	32	18	70	120	11,882	506	1,023	4,711	710	18,832

Table VI. Management and administration in the regional office budgets for 1998-1999

(In thousands of United States dollars)

Regional offices	1998-1999 total budget of regional offices	Total for management and administration a/	
		Amount	Percentage
West and Central Africa region	9,778.2	1,020.0	10.4
Eastern and Southern Africa region	9,594.5	1,358.7	14.2
The Americas and the Caribbean region	7,970.9	671.0	8.4
East Asia and the Pacific region	7,960.1	1,067.1	13.4
South Asia region	5,059.6	832.0	16.4
Middle East and North Africa region	6,931.4	800.1	11.5
CEE, CIS and the Baltic States region	6,236.2	883.9	14.2
Regional offices: Central	718.4	8.8	1.2
Total	54,249.3	6,641.6	12.2

a/ Including staff and related costs for regional operations officers, human resources officers and information and technology officers.

Table VII. Publications by the Division of Communication in 1997

Title	Language	Print run	Distribution
The State of the World's Children 1997 report	English	78,500	77,189
	French	22,000	19,943
	Spanish	19,287	15,116
The State of the World's Children report Press Kit	English	12,000	11,827
	French	3,500	3,239
	Spanish	3,061	2,617
The State of the World's Children report Summary	English	48,000	45,303
	French	24,000	23,828
	Spanish	7,625	7,054
The Progress of Nations 1997	English	65,000	60,198
	French	24,000	23,813
	Spanish	8,050	7,434
UNICEF Annual Report	English	43,944	41,524
	French	13,300	11,971
	Spanish	7,990	6,547
Baby-Friendly Hospital Initiative News	English	80,500	74,882
Speaker's notes insert	English	1,000	866
America's partnership with UNICEF	English	3,100	3,100
Give us credit a/	English	5,000	3,399
Looking to the future a/	English	580	284
Oral rehydration therapy elixir of life a/	English	4,000	1,431
	French	2,000	549
	Spanish	2,000	259
The rights of the child and habitat a/	English	5,395	3,859
	French	1,000	473
	Spanish	1,920	485
Towards child-friendly cities reprint a/	English	4,000	1,520
	French	1,000	320
	Spanish	1,000	110

a/ Publications/reports produced for special conferences or programme themes in 1997.

Annex I

PROGRAMME AND BUDGET REVIEW PROCESS

1. During this budget exercise, the UNICEF Mission Statement, the programme priorities of the MTP and country programme objectives have guided the budget preparation. The key management excellence principles adopted by the Executive Board were taken into account in the preparation of the 1998-1999 biennial support budget: maintaining the centrality of the country programme; bringing decision-making closest to the point of action; programme outcomes/management plans driving the budget; and investing in systems for the effective management of programmes.

2. A common set of core accountabilities were also established for the regional offices. The Mission Statement and the priorities in the MTP cascade into the management plans of regional offices and headquarters divisions. At the beginning of the budget exercise, the management plans of headquarters divisions were presented at a forum open to all staff and commented on by the participants and management to ensure consistency and coordination, reduce redundancy and ensure that the plans were on the right path to deliver the expected results.

3. In order to stay within the financial projection, a cap on the 1998-1999 budget was given to each region and headquarters divisions. To absorb inflation and mandatory cost increases within the cap, it meant that all offices had to look for savings through work processes reviews and technological improvements.

4. The organization of the budget review process for the country offices was delegated to the regional offices. The RMT established its own PBR committee with the participation of RMT members, and operations and human resources officers. Headquarters provided the system, costing parameters and technical assistance to the regions. Countries with a new CPR for submission to the Executive Board at its third regular session of 1997 and countries with an MTR have all prepared CPMPs. The regional PBR committee reviewed and submitted the regional recommendations to the executive management.

5. Each regional office has reviewed its capacity in relation to the core accountabilities requirements using a zero-based approach and taking into consideration the strength and needs of the country offices. Administrative and operational support functions for the local multi-offices at regional office locations were also consolidated with a view to provide more quality service and to allow regional personnel more time for regional work. The regional office budget and the country office budgets in the region were totalled and compared with the regional cap.

6. The entire budget was consolidated and reviewed by the UNICEF global PBR committee. To align the proposals with the resource reality, a very critical review was undertaken to eliminate low priority activities and ensure appropriate staffing due to improvements in technology and work processes. On the other hand, a critical assessment was also made to ensure that the reduction did not sacrifice quality and overall effectiveness. A careful review was made of the impact of staff reduction and the measures needed to be taken in the human resources area due to retrenchment.

Annex II

TERMINOLOGY

Terms upon which common agreement has been reached and their corresponding definitions are given below.

Appropriation line - definition similar to those included in the financial regulations of UNDP, UNFPA and UNICEF

A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Biennial support budget

The budget of an organization covering programme support and management and administration of the organization.

Cost (increase/decrease) - Administrative Committee on Coordination definition

Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Management and administration of organization

Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration.

Other resources

Resources of a voluntarily-funded organization, other than regular resources, which are received for a specific programme purpose (other resources relating to programmes) and for the provision of specific services to third parties (other resources relating to reimbursements).

Other resources relating to programmes

Resources of a voluntarily-funded organization, other than regular resources, which are received for a specific programme purpose that is consistent with the aims and activities of the organization. These will include voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Other resources relating to reimbursements

Resources of a voluntarily-funded organization that are received from third parties to cover the cost of providing specific services not related to carrying out programmes entrusted to it for implementation.

Programmes

Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Programme support

Organizational units whose primary function is the development, formulation, delivery and evaluation of an organization's programmes. This will typically include units that provide backstopping of programmes either on a technical, thematic, geographic, logistical or administrative basis.

Regular resources

Resources of a voluntarily-funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Various cost adjustments

Cost increases/decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

Volume (increase/decrease)

Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

Annex III

METHODOLOGY

1. The methodology involves several sequential steps in calculating estimates. These calculations are effected separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for the first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. It should be borne in mind that, normally, the time during which estimates are prepared for the proposed biennial support budget is during the first months of the second year of the current biennium. A description of each sequential step follows.

I. VOLUME ADJUSTMENTS

2. First, using the approved appropriations as a base, the real increases or decreases in requirements are calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, subject to the executive head's assessment of what the organization requires to perform the task with which it is entrusted. Such volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

II. VARIOUS COST ADJUSTMENTS

3. To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. Except for within-grade increments, they reflect only known changes that have occurred in the two years since the preparation of the last biennial support budget. Such cost factors include, for example, ICSC decisions on a variety of staff entitlements (e.g., dependency allowance, education grant), and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot on relocation of premises.

III. CURRENCY ADJUSTMENTS

4. Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 April of the year preceding the current biennium and for example, on 1 April of the second year of the current biennium, i.e., the time of preparation of the proposed biennial support budget. This factor is of particular importance given the extent of the field offices of the organization, where operating costs vary greatly with the strength or otherwise of the United States dollar.

IV. INFLATION ADJUSTMENT

5. Finally, to complete the picture and to develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, as appropriate, inflation over a four-year period. These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency as follows:

(a) For the first year of the current biennium to the first year of the proposed biennium. The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

(i) The difference between the application of earlier estimates and the actual inflation for the first year of the current biennium;

(ii) The difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium;

(iii) The inflation projection for the first year of the proposed biennium;

(b) For the second year of the current biennium to the second year of the proposed biennium:

(i) Same as (a)(I) above;

(ii) Same as (a)(ii) above;

(iii) Same as (a)(iii) above;

(iv) The inflation projection for the second year of the proposed biennium.

6. In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The first inflation factor pertains to the estimated movement of post adjustment for international Professional staff;

(b) The second inflation factor pertains to international travel and common staff costs for international Professional staff (this is the same for all locations);

(c) The third factor encompasses salaries and common staff costs for local staff, i.e., in the national Professional category and General Service and other categories, which may vary significantly from location to location;

(d) The fourth factor relates to all other costs, such as operating expenses.

7. Within this general framework, New York headquarters and the regional Office for Europe (Geneva) are treated separately from field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

8. Apart from a limited number of cost elements such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patterns and/or information that is available and published before being applied to the budget estimates.